

The NATIONAL UNDERWRITER



A wish come true of a Christmastime at home to enjoy all the things he loves best Just a dream to many . . . A memory to treasure throughout the succeeding months. To all our gallant fighting men and boys in the services—may their wish for Peace and a speedy Victory come true in the New Year.



CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co.
The North River Insurance Co.
Westchester Fire Insurance Co.
The Allemannia Fire Insurance Co. of Pittsburgh

Organized 1824
Organized 1822
Organized 1837
Organized 1868

Richmond Insurance Co.
Western Assurance Co., U. S. Branch
British American Assurance Co., U. S. Branch
Southern Fire Insurance Co., Durham, N. C.

Organized 1836
Incorporated 1851
Incorporated 1833
Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. • PACIFIC DEPT. SAN FRANCISCO • SOUTHERN DEPT. ATLANTA • ALLEGHENY DEPT. PITTSBURGH • CAROLINAS DEPT. DURHAM, N. C.



THURSDAY, DECEMBER 16, 1943



A plan
to Check Loss of Personnel . . .
"Honesty Engineering!"

WHEN trusted employees help themselves to your money or merchandise . . .

ance will repay
But it cannot be
trained, hard-to-
or offset the blow
office or plant.

Now, through its
tion Plan, the U. S.
to help you stop em-
before it starts!

A western packing
example, was having
due to employee dis-

*J.P. This is one of the current
U.S.F. & G. ads featuring their new
Personnel-Protection Plan.
U.S.F. & G. agents will certainly cash
in on this new Plan and this
big advertising campaign
H.K.*

employee dishonesty but: (1) discloses
undesirable personnel and prevents
waste in training; (2) through tested
methods helps keep good employees
from going wrong; (3) helps employ-
ers eliminate leaks and pitfalls and
acts of carelessness which often lead
to employee dishonesty.

Your U. S. F. & G. agent will be glad
to give you more information about
how the Personnel-Protection Plan
helps you keep your employees by
keeping them honest. Consult him.

Branch Offices in 43 Cities—Agents Everywhere

U. S. F. & G.

UNITED STATES FIDELITY & GUARANTY CO.

affiliate:

FIDELITY & GUARANTY FIRE CORPORATION

HOME OFFICES: BALTIMORE, MD.

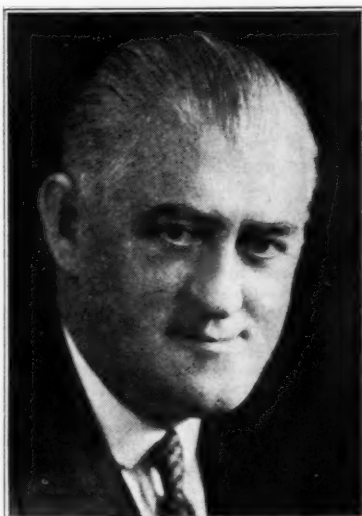
Consult your insurance agent or broker  as you would your doctor or lawyer

Warner General Attorney; Conick U. S. Manager

Cartlidge Retires; Nottingham Deputy Manager of Royal-Liverpool

Harold Warner, senior executive of Royal-Liverpool, has announced important changes in the staffs of these companies, to become effective Jan. 1.

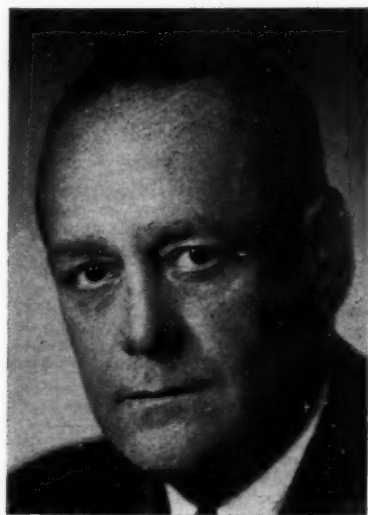
Mr. Warner will relinquish the office of United States manager of Royal and Liverpool & London & Globe, retaining that of general attorney. He will be



HAROLD WARNER

succeeded as manager by Harold C. Conick, who has been assistant manager.

In accordance with the retirement policy of the companies, Harold T. Cartlidge will relinquish the position of dep-



HAROLD C. CONICK

uty U. S. manager and other executive and directorial positions he has held with the affiliated companies, though continuing for a few weeks in certain advisory capacities.

Charles A. Nottingham, whose 40th

CAA Not to Place WTS Hull Cover in Private Insurers

WASHINGTON — Although the comptroller-general recently ruled that the Civil Aeronautics Authority can buy commercial insurance to cover hulls of airplanes used by flight instruction contractors in training student pilots under arrangement with the Defense Plant Corporation, the executive director of the CAA war training service has not decided to make such purchases.

The comptroller's permission hinged upon whether commercial insurance purchase would be economical. CAA officials say it would not be economical at this stage, as losses have been "phenomenally low." Losses are now being reported within 15 days, it is stated, and CAA hopes to get this time lag down to 5 days.

It is understood there is no present intention in CAA to buy full insurance on 7,000-odd planes owned by DPC and used by contractors in the war training program. CAA officials hold the contractor is liable for at least a portion of the damage done. Some contractors are understood to be buying insurance, but CAA does not know about all of them.

Private Crash Cover Provided

The aviation insurance markets provide coverage on that portion of the physical damage to DPC planes which the government requires the contractor to assume. On ground losses this is a \$50 deductible and on crash losses it is a \$50 deductible plus 20% of the remaining value. The rate is about one-sixth, and it has not been widely sold. It is now being written on a reporting basis. In addition the aviation markets also write a negligence policy for ground losses at \$1.62½ for \$100 of value for 100% co-insurance, the rate being somewhat higher for 80 and 90% co-insurance. There is some demand now for a negligence policy covering flight losses from contractors who are getting \$10,000 and \$12,000 planes from DPC. A CAA resident supervisor rules on whether there has been negligence, and there is no appeal to the courts. The only appeal provided is one to the CAA supervisor's superior. The difficulty on flight negligence cover, according to aviation underwriters, would be to set a rate in view of the method of determining whether negligence existed.

CAA has bought property damage and public liability insurance on government owned planes used in the war training service.

Though not buying hull insurance on training plans, CAA officials do not consider the government is actually a self-insurer in this case, as reserves have not been set aside. However, CAA deducts a certain amount from the contract price to cover such losses.

The CAA war training division has recently added to its staff an insurance man obtained from the Home Owners Loan Corporation.

C. Z. German, who formerly handled certain insurance matters in CAA has left to join American Air Lines in a liaison capacity.

Counsel Steering Group to Meet

The mid-winter meeting of the executive committee of the International Association of Insurance Counsel will be held Jan. 26-28, at the Palmer House, Chicago.

anniversary with the groups was recently observed, will become deputy manager, succeeding Mr. Cartlidge.

In addition to these changes, it was
(CONTINUED ON LAST PAGE)

Arkansas Agents Hold Mid-Year

**Attorney Tells What
Federal Control Would Do;
Schauffler Speaks**

LITTLE ROCK, ARK.—"The best insurance that we can have for individual freedom and against dictatorship is the retention of power by the state," Verne McMillen, Little Rock attorney and representative of the National Board, said at the mid-year meeting of Arkansas Association of Insurance Agents here. Approximately 100 agents attended.

Speaking on the status of the insurance bills pending in Congress, Mr. McMillen said that congressmen are taking enough interest in these bills to determine what they are about, and that they understand that this is a struggle between advocates of centralized control and states' rights.

Bills Must Be Passed

Mr. McMillen pointed out that the present system of regulating rates by the various states is satisfactory to the companies, agents and policyholders, but warned that unless Congress passes the Van Nuys-Walter bills the insurance business will come under federal regulation.

The Paul vs. Virginia decision already has been overruled by an administrative agency, the National Labor Relations Board, he said, and the Supreme Court in the American Medical Association case indicated very strongly that it would hold insurance as trade or commerce and therefore subject to acts of Congress.

If insurance is regulated by a federal bureau, the bureau might decide the rate of commission agents could receive or the number of agents necessary to handle the business in a certain community, he warned. Agents' associations and rules would have to conform to federal law. Insurance exchanges in various cities which prohibit members from representing companies which do not conform to the rules would be clearly in violation of the federal law, he said.

Schauffler Discusses Public Relations

Emphasizing the importance of public relations activities at the local level, Harry K. Schauffler, assistant manager of the National Board, said that while people may be impressed by what they read in national periodicals, they are more likely to be convinced by what they read or hear or see in their own community.

The need is to attack the problem now, Mr. Schauffler declared. The story of the public service rendered by insurance must be told as effectively as possible to as many people as possible. Each agent must build the local reputation of being a man who knows his business, who has accurate facts and figures at his finger tips, he said. It is not enough to understand coverages and rates. The agent must be able to present the fundamental of insurance and intelligently discuss the background and the nationwide ramifications of his business.

President C. S. McNew, Jr., Pine Bluff, and Secretary-Manager Henry A. Ritgerod gave brief reports. There was a forum on agency problems and Commissioner Graves and George Suter, manager of the Arkansas Fire Prevention Bureau, spoke briefly.

A Christmas gift of \$50 each has been forwarded by Fireman's Fund to employees now in service. The company made a similar gift last year.

O'Mahoney Promises Witnesses Against States Rights Bill

**Hearing Continued to Dec.
21 After E. L. Williams
Completes Testimony**

WASHINGTON — The Van Nuys Senate judiciary committee after hearing E. L. Williams, president Insurance Executives Association complete his testimony Tuesday, adjourned until next Tuesday at suggestion of Senator O'Mahoney of Wyoming, who said there were several things he wanted brought up. He said he had an "insurance executive



E. L. WILLIAMS

who wants to testify against the bill" and had corresponded with a Chicago insurance broker "who would like to testify."

The whole field of how rates are fixed and how the subscribers actuarial committee operates, O'Mahoney said, should be gone into; also operations of the Western Actuarial Bureau and the various rating bureaus, about which he said the committee should have information.

Asked for names of witnesses, O'Mahoney said he did not want to make them public until he was sure they would testify. Asked how far he intended to go, he was indefinite, referring to "unwilling witnesses," their condition being due, he indicated, to the interlocking relationships of insurance associations and organizations.

Suggestions for Amendment

Meanwhile, Senator Van Nuys said he had heard the suggestion "from four or five senators" that the pending anti-trust exemption bill be amended to apply to future acts and not affect the Department of Justice prosecution of the Southeastern Underwriters Association. Van Nuys said senators making the suggestion believed that if adopted it would eliminate some opposition to the bill. "I don't know what the committee will do about it," he added.

Representative Sumners of Texas, chairman House judiciary committee, said the House rules committee would hold a hearing Dec. 15 on the House-

(CONTINUED ON PAGE 12)

Big Premium Year in the Inland Marine Field

Increase Is General; Losses Are Heavy But Operations Still Profitable

Companies writing inland marine business will have one of their best premium years in 1943, but losses have been heavy and are expected to continue. The loss ratio will be less favorable than last year but most underwriters expect to show a profit.

The increase in business has come from over the country and on almost every line. Motor truck cargo activity which spurted with the beginning of the defense program has continued to increase and develop more premiums with the vastly greater values that are moving. Last summer and spring there was a startling increase in the values under furrers' customers' policies due to the increase in buying of furs and to the fact that more people were storing such garments. A hike of 200 or 300% in such values was not uncommon, and the average increase in premium from this source, fur policies and the addition of coverage under the personal property floater may run 50 to 60%.

Bailees' Customers Cover

There is more bailees' customers' business from the laundries and dry cleaners than the market likes because fire and theft losses have been heavy. Some laundries and dry cleaning establishments that did not carry the coverage before are buying it, and there has been some shift from the reciprocal to the stock company market. One company that accepts the business reluctantly quoted a rate for a laundry the other day at three times the manual, and assured accepted it. This apparently was new coverage for that assured. Generally, however, underwriters are getting a 10 to 20% higher rate for the line. A few report normal losses.

Even on jewelers' block policies values are up from 10 to 15%, and there have been corresponding premium increases to the insurers, in spite of the difficulty these merchants have had in getting inventory replacements. Losses are fairly normal.

Business from Rural Areas

Business is up substantially even in the smaller communities, reflecting purchases of jewelry, furs, and similar items by farmers whose pockets are full of money.

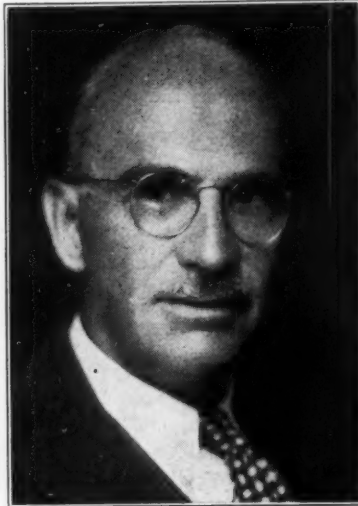
In the midwest there was some increase in total personal property floater writings when Michigan approved the form. Much of this business came as transfer from other lines such as fire and theft, but the campaign put on by the marine people resulted in some new sales and increased amounts. The personal property floater loss ratio is said to be somewhere between 40 and 50% for the year so far, which is on the profit side. Most losses under the form are normal, though some claims would not arise in ordinary times. One assured reported a trunk missing. The insurer checked the railroads and was unable to locate it. It paid the claim. Some time later the trunk showed up in the warehouse of another railroad whose lines were not even near the route taken. Another insured reported the loss of a library of fine books during removal from one residence to another. They could not be found, and the loss

(CONTINUED ON PAGE 33)

J. W. Longnecker Retires from the Two Hartfords

After more than 34 years of service with Hartford Fire and Hartford Accident, all of it as editor of "The Hartford Agent," J. W. Longnecker will retire Dec. 31. Miss Ernestine R. Robin will succeed him.

Mr. Longnecker was born on a farm in Brown county, Minn., June 11, 1879.



J. W. LONGNECKER

After a varied experience as a newspaper reporter and editor in the midwest, he left his job as a feature writer on the old Minneapolis "Tribune" and editor of the "Tribune Hustler," a house organ devoted to advertising, and went to the home office of Hartford Fire in May, 1909.

Has Edited Over 400 Issues

The first issue of "The Hartford Agent" came out in June, 1909, with his name on the editorial page as editor. Since that date more than 400 issues of that well known magazine have gone to press under his editorial supervision.

Since 1910, Hartford's centennial year, Mr. Longnecker has been in charge of the national advertising of Hartford Fire and during his regime many advertising firsts have been credited to the company, including the red

McCormack Strikes at Federal Threat

Tennessee Commissioner Makes Vigorous Speech at Memphis

MEMPHIS—Insurance cannot survive in an atmosphere of federal dictatorial control, Commissioner McCormack of Tennessee declared in a talk before the Memphis Insurance Exchange. He presented a vigorous and a detailed defense of state supervision of insurance. J. H. Bandy, president Tennessee Association of Insurance Agents, spoke briefly.

Should Be Insurance Men

Attorney-general McKittrick of Missouri in his testimony before the Senate judiciary committee on the Bailey-Van Nuys bill observed that many insurance commissioners as soon as they get out of office go with insurance companies. Mr. McCormack said he is pleased to note that insurance companies recognize ability where they find it, "and it is a compliment to the quality of state supervision that our fine insurance companies frequently, at the end of an insurance commissioner's term, but not always, take advantage of the opportunities of securing the services

(CONTINUED ON PAGE 33)

and black hellion campaign of pre-depression years.

He helped organize the Insurance Advertising Conference and served as its first secretary-treasurer. He was president and a charter member of the old Charter Oak Advertising Club. He served as a regional vice-president for New England in the old International Advertising Association. He wrote two books on insurance advertising, "Advertising Property Insurance" in collaboration with A. W. Spaulding, now secretary of Hartford Accident, in 1927, and "Selling Insurance by Cooperative Advertising" in 1929.

Miss Robin has been associate editor of the magazine since 1925. She joined Hartford's advertising department as a stenographer on graduation from high school in 1920, but soon turned to writing advertising copy. For several years she was in charge of local agency advertising for agents of the southern department, and was also associate editor of two house organs published for affiliated companies of Hartford Fire.

Reporting Form Interstate Reforms Are Suggested

N. Y. Examiner Files Reports—Favors Eliminating Underlying Policies

NEW YORK—Elimination of the underlying policies and adoption of several other steps tending to simplify the handling of interstate reporting-form business are contained in the report filed with the New York department by S. H. Moss, departmental examiner.

Observing that underlying policies are not in the possession of the assured and are generally not used for tax reports, the report points out that a company may issue some underlying policies at tariff rates and other underlying policies for the locations covered by the same master policy, at the master policy average rate, while in addition, some of the companies issue some of their underlying policies at arbitrary rates. Where two companies participate in the same risk they may each issue an underlying policy for the same location at different rates.

Rate of Underlying Policy

"Issuing underlying policies at tariff rates is a method used to indicate adherence to rating regulations," Mr. Moss states. "This procedure can only be considered a subterfuge, for the premium actually collected is not at tariff rates. The master contract average rate, however, cannot be approved at present by state stamping offices, since rating plans for such average rates have not been filed.

"Since underlying policies usually do not accurately disclose master policy clauses, rates or premiums, and since there is considerable divergence in methods among the companies, your examiner believes that present underlying policy procedures serve no useful purpose. The present practice of issuing underlying policies should be replaced by satisfactory uniform procedures. The use of copies of master policies for all functions now performed by underlying policies is recommended, or, as an alternative, if the practice of issuing underlying policies is to be continued, uniform regulations should be established so that these documents will accurately and completely disclose all conditions of the master contract.

Suggests Central Stamping Bureau

"The formation of a central stamping bureau with authority to act for all states would facilitate the audit of these interstate policies.

"Any approach to the establishment of standardized underlying policy regulations must include the filing of acceptable rating plans with insurance departments. Such rating plans could be designed to provide for all proper demands of this business.

"If uniform procedures are to be put into effect the active assistance of insurance companies and the cooperation of all insurance departments will be required because of the interstate coverage afforded by this insurance.

Allocation of Premiums

"With regard to the proper allocation of premiums by states, it would appear that until a nation-wide rating plan is properly adopted the force of existing statutes would require the allocation of premiums in accordance with the values

(CONTINUED ON PAGE 34)

THIS WEEK IN INSURANCE

Harold Warner becomes general attorney of Royal-Liverpool; Harold C. Conick is the new U. S. manager; H. T. Cartledge retires and C. A. Nottingham becomes deputy U. S. manager, and J. L. Erhardt becomes an assistant U. S. manager. **Page 1**

E. L. Williams completes testimony on states rights bill. O'Mahoney promises insurance witnesses against bill for next week. **Page 1**

Arkansas Association of Insurance Agents holds its annual mid-year conference in Little Rock. **Page 1**

Esmond Ewing discusses public relations in the light of the Atlanta suit and the insurance legislation in Congress at the Insurance Advertising Conference. **Page 4**

Menace of self-aggrandizing federal bureaus discussed at New York City Blue Goose meeting. **Page 6**

A. Bruce Bielaski is named assistant general manager of the National Board. L. A. Vincent and H. A. Coumbe are also promoted. **Page 3**

Inland marine will have a big premium year in 1943; losses are heavy but not enough to make the line unprofitable. **Page 2**

President J. F. Van Vechten of Ohio Association of Insurance Agents makes strong plea for greater cooperation between agents and companies. **Page 4**

Broader dwelling fire policy and change in farm form favored at meeting of executive committee of Washington Association of Insurance Agents. **Page 4**

Numerous reforms in the handling of interstate reporting-form business are suggested in report filed in New York by S. H. Moss, department examiner. **Page 2**

Keen interest is being expressed in what action the National Automobile Underwriters Association will take in connection with actual cash value premiums next year. **Page 3**

Superintendent Dineen's move for fire insurance rate reduction in New York stirs much conjecture. **Page 3**

Research plans of the casualty and fire companies and public relations are discussed at the Insurance Advertising Conference. **Page 23**

Commissioner of internal revenue rules that payment of premiums upon individual health, accident and hospitalization coverage by an employer for the benefit of an employee constitutes salary increase in contravention of the act of Oct. 2, 1942, unless prior approval is obtained. **Page 23**

Wade Fetzer, president W. A. Alexander & Co. of Chicago, becomes chairman and Wade Fetzer, Jr., succeeds him as president. **Page 26**

Alexander Foster, manager of the bond department of the Association of Casualty & Surety Executives, is joining the Navy insurance division as surety bond specialist. **Page 23**

Superintendent Dineen of New York adjourns hearing on stock company compensation plan, feeling unauthorized by law to act in the matter. **Page 26**

Keen Interest in N.A.U.A. Decision on ACV Premiums

Big Question in Automobile Field Must Be Faced Soon

The big question in the automobile physical damage field is whether the National Automobile Underwriters Association in its 1944 rate program shall make a change in the formula for determining actual cash value premiums to take account of the fact that the pre-war depreciation schedule for used cars is so sharply out of tune with the trend of values today. Local agents and companies are commenting increasingly upon the fantastic difference in premium that is called for as between the ACV plan and stated amount cover.

However, despite the fact that the ACV policyholder is getting such absurdly low bargains, some executives have advocated retaining the present formula for determining ACV premiums. They have felt that the loss experience has been favorable enough so that the companies could afford to provide what amounts to a very handsome rate reduction; that a great many assured will be converted to the ACV plan, which is the arrangement that was preferred by the insurers prior to the war, and that after the war when the values of used cars again decline normally, the outstanding business will be on an acceptable basis and it will not be necessary to change the ACV premiums back to a peace time level.

Other Side Presented

On the other hand there is a very large and perhaps preponderant element of the business that believes the ACV premiums should be increased. They say that although the experience this year has been satisfactory, there are some menacing clouds. For one thing next year practically all the cars on the road will drop one age group and that will bring a substantial decline in premiums under the ACV plan. For instance, the ACV premium for a car in the fourth age group is about 20% less than that in the third group, and that decline in revenue will not be accompanied by a reduction in liability or loss cost of the insurers. The cost of parts is just as great for a 1940 model as for 1941 and there is no difference in the cost of labor. Theoretically there is a ceiling price on new parts but as a practical matter, it is said, these ceiling prices have very little significance. Moreover there is no ceiling on used parts and such parts are being used extensively in making repairs and replacements.

Automobile insurance men say that there is an increase in loss frequency. They are getting an increased number of total losses, especially outside the cities, where the 35 mile national speed limit seems to be getting scant respect any longer. Most of these losses are due to upset or collision with telephone pole or something of the kind rather than to collisions with other cars. It is believed that there is an increasing number of accidents attributable to mechanical defects such as poor brakes. Motorists may be taking a chance with their brakes, because the garages are so busy that the car owner is discouraged from putting it in the shop.

Moreover those underwriters who are advocating an improvement in the ACV factor predict that the old pre-war depreciation schedule is outdated not only

Bielaski Assistant General Manager

National Board Also Promotes L. A. Vincent and H. A. Coumbe

A. Bruce Bielaski has been elected assistant general manager of the National Board. At the same time Lewis A. Vincent becomes assistant to the general manager and Harold A. Coumbe is named to the newly created position of executive assistant.

Mr. Bielaski has been assistant manager in charge of the arson department and he continues to be in charge of that department. He graduated in law from Columbia University in 1904 and the next year went with the United States Department of Justice. From 1908 to 1918 he was with the Bureau of Investigation. During the former war he was in charge of investigation of German activities in this country. He was admitted to practice before the U. S. Supreme Court in 1925 and the next year was special assistant to the attorney general and aided in the successful prosecution of liquor smuggling rings.

Mr. Bielaski joined the National Board in 1929 and has been in charge of its arson department since that time. He was national president of the Delta Tau Delta fraternity for three years.

Vincent Was Assistant Secretary

Mr. Vincent has been assistant secretary. He attended Wesleyan University and was graduated from West Point. He was commissioned a lieutenant in the coast artillery and served with the 63rd coast artillery anti-aircraft as battery officer, battery commander and with the staff harbor defenses of San Francisco as assistant artillery engineer and ordnance officer. He resigned his commission in the regular army in 1929 but retained affiliation with the service, corps of engineers reserve, until 1940 when he was honorably discharged.

Mr. Vincent joined the National Board as an engineer in 1929 and served in the Chicago office until 1933 when he was transferred to New York. He has been assistant secretary since 1938. In 1940 he was assigned as advisory fire protection engineer in the construction division of the war department.

Mr. Coumbe's Career

Mr. Coumbe has been assistant secretary. He graduated from Columbia University in 1918 and during the former war was in the signal corps. Then until 1927 he was engaged in the exporting business. In that year he joined the National Board and was elected assistant secretary in 1931. He was in charge of the National Board disaster plan during the adjustment of losses in Gainesville, Ga., in 1936, in New England after the 1938 hurricane and after the Texas hurricane this year.

for the duration of the war but for a number of years thereafter. They believe that the value of serviceable used cars will continue to stay at an inflated level, in comparison with the pre-war days, for several years after the war, until the manufacturers are able to meet the current demands. Even if the European part of the war should be over some time next year, the automobile companies will probably have to continue almost exclusively in war work, since their type of manufacture is not likely to be the kind that will be cut back when the time comes that Japan is the only enemy that remains.

Senate O. K.s Bill to Permit Crop Cover to Run Off

WASHINGTON — The Senate has passed without comment the amendment to the deficiency appropriation bill which would provide \$2,428,656 for operating and administrative expenses of the Federal Crop Insurance Corporation. This would permit liquidation of any insurance liability on crops for 1943 and prior years, and would permit three year contracts held on or before July 12, 1943, to run off. The amendment provides that the appropriation shall not be used for new contracts on winter wheat of the 1944 crop except for holders for three year policies. The bill now goes to the conference committee of the two houses.

Congress in its appropriations bill last summer severely limited the FCIC, to a liquidating basis. Senator Lucas of Illinois sought to reinstate the coverage at a cost of \$7,718,000.

Gives Figures for Five Years

At the Senate hearing, J. Carl Wright, manager of the FCIC, said that in its five years the federal crop insurance program has insured 2,100,000 wheat and cotton farms, representing a total production of 448,000,000 bushels of wheat and 1,700,000 bales of cotton. He said that the crop program had shown its value particularly in catastrophe losses, citing payment of indemnity exceeding 1,000,000 pounds of cotton, or practically \$200,000 in each of two widely separated counties in the cotton belt in 1942 following a flood in one and drought in the other.

Mr. Wright said that the crop insurance is a new field in which no experience figures were available. The first five years are the development period. He said it was difficult to avoid adverse selection of risks because the farmer can by soil moisture conditions prior to seeding determine whether or not he needs to insure. The three-year contract was introduced to offset this selection. Another factor has been abandonment of insured crops where it is more profitable to collect an indemnity than to finish producing the crop or to harvest a poor crop.

\$23,000,000 Loss

Indemnities amounting to \$73,000,000 have been paid to wheat and cotton farmers since inception of the crop program, \$50,000,000 representing premiums contributed by growers, and \$23,000,000 representing net loss on insurance operations. This loss was expected to reach \$30,000,000 by the time operations for the 1943 crop year are completed because of heavy losses from floods in the spring of 1943.

Personnel Cut 35%

E. W. Anderson, assistant manager of FCIC, told NATIONAL UNDERWRITER that liquidation of FCIC has been continuing. There has been a reduction of about 35% in FCIC personnel, principally those engaged in program planning, actuarial work, analyses, etc. Mr. Anderson said the corporation is in the midst of payment of indemnities on cotton but has pretty well completed payment of losses on wheat. The cotton indemnity payment season will run until March or April.

67,817 Texas Losses Paid; \$2,000,000 Worth Unclosed

J. F. Miazza, southwestern manager of the Fire Companies Adjustment Bureau at Dallas, reports that to date 67,817 losses in the Texas hurricane of July 27 have now been closed with \$9,735,142 paid to date.

There are an estimated 4,000 losses still open for about \$2,000,000, which includes cotton, manufacturing and war plant claims.

Regret Dineen's 23.9% Reference in Rate Cut Demand

N. Y. Official Doesn't Expect That Reduction, But Allusion Called Harmful

NEW YORK—There is no way that the fire companies could squeeze out reductions that would result in anything like the 23.9% statewide cut that Superintendent Dineen mentioned in his order to the New York Fire Insurance Rating Organization to show cause why rates in New York state should not be "equitably adjusted" at this time, according to some of the closest students of the rating situation.

They feel it was unfortunate that the department's announcement mentioned so large a reduction as being indicated on the basis of the five years 1938-42 inclusive, even though the announcement conceded that these figures do not give full effect to rate revisions made since 1938 nor do they reflect the loss trends indicated by current experience and that consequently a difference between the preliminary estimate of 23.9% and the final result is to be expected. The danger is that the public will seize on the 23.9% figure as indicating they are being overcharged and will pay little attention to the qualifying statement or to Mr. Dineen's emphasis on the fact that while reductions in varying amounts can be expected in various classifications there will be some in which increases may be warranted.

"Ideal" Expense Ratio

Another point which is viewed as indicating that the New York department seeks a greater reduction than can reasonably be expected is that the studies from which the 23.9% figure resulted were based on the supposition that the companies would have an expense ratio no higher than 45% with commissions no higher than 27½%, including field supervision.

No one doubts the desirability of an expense ratio as low as 45% but it is pointed out that for 1941, the latest year for which the New York department has published figures, the stock fire companies doing business in New York state had an aggregate loss ratio of 44.2, and an aggregate expense ratio of 53.3%. The loss ratio for New York state business was even higher than for the companies' countrywide business, being 45.6%.

These companies paid commissions, including cost of field supervision, equivalent to 33.4% of premiums. To bring this to the 27½% basis assumed in the department's study would mean a cut of 5.9 points, or nearly 18% in this item.

Difficulty With Statistics

The difficulty of using a purely statistical basis for arriving at an equitable rate is shown by the following hypothetical example, in which it is assumed that rates are adjusted every year to produce a 50% loss ratio on the basis of the previous year's experience:

	Rate	Loss	Ratio
	Cost	%	
1st year	50c	25c	50
2nd year	50c	20c	40
3rd year	40c	16c	40
4th year	32c	16c	50

The total of the four years' loss ratio, 180, divided by four, is 45, indicating a 45% loss ratio and hence calling for a reduced rate if the loss ratio is to be kept at 50%. Yet it is obvious that on the basis of current experience 32 cents

(CONTINUED ON PAGE 33)



A. Bruce Bielaski

Close Cooperation Between Executives and Agents Urged

President Van Vechten of Ohio Agents Decries Lack of Consultation

CLEVELAND—Citing by comparison the close cooperation between rubber industry in his home city with its sales representatives and efforts of automobile manufacturers in consulting dealers, J. F. Van Vechten, Akron, president Ohio Association of Insurance Agents, decried the failure of insurance companies to consult with local agents and called for greater cooperation in a talk before the Insurance Board of Cleveland.

"All of us who represent so-called bureau casualty companies, watched our choicest private passenger automobile business run off our books for years. Our company executives turned deaf ears to our pleas for relief—they said there weren't such things as preferred automobile risks. In a few short years these bureau companies dropped from over 70% of the business in Ohio to 27%. Then, after the horse was out, some bright young man thought up the safe driver reward plan, thus copying the mutual plan and educating our public to expect a refund on its automobile insurance. This plan was put in force by management and the sales forces were not consulted.

Rates Are Revised

"Then after a little more than a year, our executive friends turned tail, revised the rate structure, admitted that there were preferred automobile risks, and gave us that delightful, made-for-cheating classification coded 2 A-A1 and B. We got it without consultation. And now, we're getting our A B C's, also without consultation.

"It's not long ago that we got 1/4 of 1% of the contract price for supply contract bonds. About two years ago I wrote a supply contract bond for a premium of \$65 and under that guaranty my principal delivered \$694,000 worth of merchandise; that would make a rate of 97/10,000ths of 1%. The producers weren't consulted. Because it's a painful subject, I won't even attempt to go into the intricacies of contract bond rates.

Boiler Situation Viewed.

"In May, 1942, we suddenly got a new boiler and electrical machinery manual. Apparently the thing was devised to reduce rates on large risks, but it raised merry hell on many a small risk. This ill begotten and ill advised piece of work soon became the best argument the mutual salesman had in his kit and it had to be abandoned. It was replaced by a simplified rate book which indicates rates—the lowest in history. These things caused a split in the boiler and machinery rating bureau, and now, at least in some parts of the country, we have C C C (conflict, confusion and chaos). The companies are fighting among themselves but the producers never have been consulted.

"I have much sympathy for the companies on war damage coverage. I don't blame them for not wanting to risk their assets in an entirely unknown hazard. I

(CONTINUED ON PAGE 34)



J. F. Van Vechten

Broad Dwelling Form Favored

Washington Agents' Executive Committee Meets—Asks Farm Form Changes

TACOMA, WASH.—A resolution recommending broadening the dwelling fire policy to include extended coverage and water damage and suggesting elimination of the signed farm application was adopted by the executive committee of the Washington Association of Insurance Agents at its winter session here.

In the absence of Charles P. Carroll, Spokane, chairman of the fire contact committee, who was ill, Frank N. Bellingham, Bellingham, a member, reviewed the committee's recommendations. The resolution on broadening the dwelling form and abolishing the signed farm application was in the nature of a vote of confidence in the program of the committee, which probably will hold a session early next year with the Washington Advisory Committee.

Important Changes Anticipated

Considerable study is being given the farm form and there likely will be some important changes made, the executive committee was told. It was the consensus of the executive committee that constant broadening of coverage should be sought, that this is the constructive approach which should be taken rather than to reduce rates on the more limited contracts.

A report on the Pittsburgh convention of the National association was submitted by A. W. White, Seattle, state national director. President A. J. Peters, Issaquah, also gave his impressions of the convention. He stressed the importance of continued agitation for the Bailey-Van Nuys bills pending in Congress and urged the committee to make certain that all agents are contacting their congressmen.

Oppose Wagner-Murray Bill

Mr. Peters called attention to the importance of establishing an educational program on a permanent basis. In demanding more stringent qualification laws organized agents have the related responsibility of providing educational facilities for newcomers in the business, he said. This will be especially true when many returning service men will turn to insurance. President Peters outlined a specific program looking toward the installation of the N. A. I. A. educational course in the state and suggested means

(CONTINUED ON PAGE 35)

Assured Can No Longer Plead WPB Restrictions for Not Making Improvements

Now that the War Production Board has eased somewhat the restrictions on fire protection equipment for plants and it is possible for manufacturers to get what they should have, insurance people find that a good many assured who in the earlier days of the war pleaded WPB restrictions as the reason for not making improvements suggested by the underwriters are now confessing that they do not want to make such expenditures. Insurance representatives have been rather religiously making the rounds since the WPB has eased the restrictions, suggesting that now, since the assured could probably get approval for the fire protection installations, that they proceed to do so. Quite a number are balking and since they can't blame the WPB they have to admit that they simply don't want to incur the expense.

Evans Supervising Adjuster of Travelers in Chicago

Robert B. Evans, adjuster in the Chicago branch claim office of the Travelers companies for over 20 years, has been appointed supervising adjuster there. He succeeds L. M. Sterling, who went to the metropolitan New York City branch of Travelers six weeks ago as manager of liability claims.

B. B. Hanselman, investigator in the Chicago branch for over eight years, most of the time on personal injury claims, has been named adjuster. He is graduate of Northwestern University and John Marshall law school, and a member of the Illinois bar.

Mr. Evans has just returned from the home office, where he spent a week familiarizing himself with his new duties.

H. E. C. Rainey D. C. Manager

H. E. C. Rainey, who has been assistant manager for 20 years, was elected manager of the District of Columbia Underwriters Association at the annual meeting. He succeeds E. R. Hardy, who had been the manager for 29 years. Mr. Hardy for some time was both assistant manager of the New York Fire Insurance Exchange and District of Columbia Underwriters Association but he resigned the former position to devote his time to the Insurance Institute of America. Mr. Rainey has been the man in immediate charge at Washington.

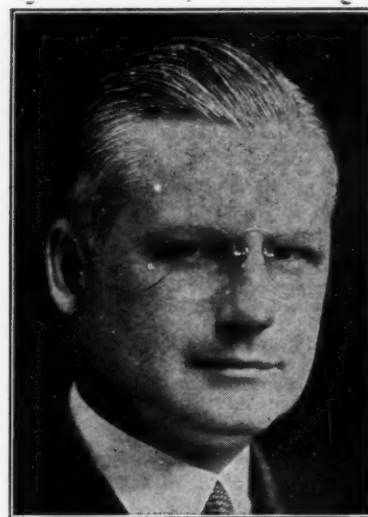
Cats Meow to Elect Dec. 30

The St. Louis court of Cats Meow will elect officers Dec. 30. The annual Christmas party will be held Dec. 24.

Tells Action and Attitude of Fire Companies on Bills

Esmond Ewing at "Ad" Conference Answers Critics of Legislation

NEW YORK—A public relations program should be a long time proposition and it should begin at home, Esmond Ewing, vice-president of Travelers Fire, said at the luncheon of the Insurance Advertising Conference here. Mr. Ewing, chairman of the public relations committee of the National Board, explained the position that the fire companies have taken on the Van Nuys-Walter



ESMOND EWING

bills in Congress. Much of the job of articulating and executing any public relations program rests on the insurance advertising fraternity, he said.

The present situation offers a real opportunity to analyze what is being said about the business and to discover the cause and effect so that all of those in the business can present the facts to the public more effectively, Mr. Ewing said.

Support Bills Wholeheartedly

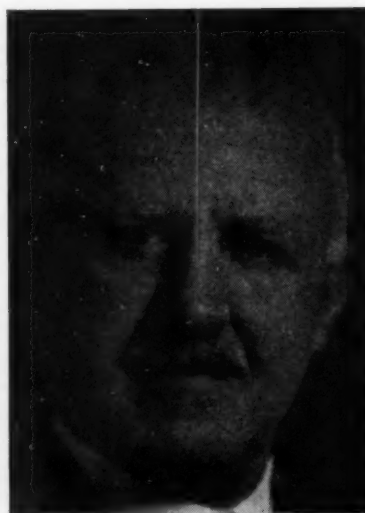
At the outset it should be made clear that the fire companies openly and wholeheartedly support the legislation in Congress, Mr. Ewing continued, and that they believe firmly in the principles of state regulation of insurance. He said that the proposed legislation seeks no special privilege for the business, provides no escape from any guilt of which any company may be convicted, and does not seek to circumvent the Supreme Court. The federal antitrust laws have never applied to the business, and the legislation, if enacted, will merely confirm this long standing fact.

Only One Piece of Publicity

The newspapers generally have been very fair in their presentation of the news of the situation, he said. The business has had some editorial support from well known and influential newspapers, and the insurance trade press has been wholeheartedly behind the position taken by the companies. They have been unanimous in their support, and knowing the business as their editors do, Mr. Ewing personally feels this is a great tribute to the merits of the companies' case. Most of the unfavorable criticism has come through misinformation or

(CONTINUED ON PAGE 21)

New, Retiring Royal Deputy Managers



C. A. NOTTINGHAM



H. T. CARTLIDGE

An Advertisement
appearing in
current magazines

Send for reprints and
other tie-in material



ACCIDENTS—
*injured four and a half million
people last year.*

*The estimated medical expense
and wage loss of these accidents
totals \$550,000,000.*

*Personal Accident Insurance
pays doctors', nurses' and hos-
pital bills and helps recompense
for loss of earnings. It pays when
you need it most.*

*Don't go another day without
the protection of an F. & C.
Maximum Benefit Income policy.
It can be prepared in amounts
and coverage to suit your needs
and income.*

*Call the Fidelity and Casualty
Company agent or broker, now.*



Insure through an
America Fore Agent

The Fidelity and Casualty Company

A Member Company of

THE AMERICA FORE INSURANCE AND INDEMNITY GROUP

BERNARD M. CULVER
President

which includes the following companies

FRANK A. CHRISTENSEN
Vice President

THE CONTINENTAL INSURANCE CO.
NIAGARA FIRE INSURANCE CO.
MARYLAND INSURANCE CO.

FIDELITY-PHENIX FIRE INSURANCE CO.
AMERICAN EAGLE FIRE INSURANCE CO.
FIRST AMERICAN FIRE INSURANCE CO.

4½

million reasons for Accident Insurance—
ARE YOU SELLING IT?

Self-Aggrandizing Bureaus' Menace Graphically Told

N. Y. Blue Goose Hears Former Counsel of Congressional Committee

NEW YORK—Of especially timely interest because of the Justice Department's insurance activities, the address of Hugh Reilly of Ignatius & Stone, New York City law firm, before the New York City Blue Goose dealt graphically with the way in which federal regulatory agencies expand the scope of their power by legal subterfuges if possible or else by blithely ignoring the legal limits of their authority.

Mr. Reilly used as his example the Federal Communications Commission, of which he obtained an intimate firsthand knowledge as associate counsel of the congressional committee investigating the FCC. His audience needed only to substitute "insurance" for "radio" to appreciate what might be in store for the insurance business if the Justice Department is successful in its efforts to bring the insurance business under federal domination.

Exercises Life-or-Death Power

There was particular interest in Mr. Reilly's description of the manner in which the FCC exerts its life-or-death power over the radio stations. In spite of the fact that the statute setting up the FCC provides for two-year licenses and makes no provision for temporary licenses, the FCC took it upon itself to issue numerous temporary licenses even

(CONTINUED ON PAGE 35)

G. N. Porter to New Post in F.I.A.

George N. Porter, presently manager of the Western Sprinkled Risk Association, will join the Factory Insurance Association Jan. 1, and he will take a newly created position of superintendent of engineering and inspection activities of the Factory Association. He will also handle special problems which may be assigned to him by the management.

Mr. Porter will report directly to the executive offices, and for the present he will be located in the western regional office at Chicago.

The record of W. S. R. A. under his direction indicates his executive and underwriting ability.

Mr. Porter in 1913 entered the sprinkler engineering and construction business. In 1917 he was first sergeant in field artillery, and was in officers' training when the Armistice was signed. In 1919 he joined the Indiana Inspection Bureau, sprinkled risk department, and served that organization until 1935, at which time he became assistant manager of W. S. R. A. In 1937 he was advanced to manager.

Harold E. Muir is advanced to the position of chief engineer of the western regional office of Factory Association. Mr. Muir was graduated from an engineering course in Brown University; spent some time with the Grinnell Company of Providence, R. I., and later worked for the Fire Protection Survey Bureau in Syracuse, Hartford, Connecticut and Columbus.

Mr. Muir was employed for a few years with Johnson & Higgins, and for 18 years was connected with Western Factory until last July when it was merged with the Factory Insurance Association. Mr. Muir has a wide experience in the engineering of sprinkled risks.

T. Z. Franklin, who retired from the Automobile and Standard Fire of Hartford some months ago, being head of the engineering department, is now located

Ohio Would Bar N. J. Insurers from Writing PPF

COLUMBUS—The Ohio department Wednesday ordered fire and marine companies of New Jersey to show cause by Jan. 1 why their licenses in Ohio should not be amended to prohibit them from issuing personal property floater policy forms in this state, which include coverage on any property having fixed location. The department points out that New Jersey prohibits the issuing of such policies by Ohio companies in New Jersey.

Public Leans to Regulation

BOSTON—The insurance business is in the anomalous position of having a generally favorable customer opinion of its operations, but with nearly 50% desiring governmental regulation, Fred Bremier, market analyst of Curtis Publishing Company, told the Mutual Fire Insurance Association of New England at its quarterly luncheon here.

W. Bruce Adams, association president and vice-president and secretary of Fitchburg Mutual Fire, presided.

Watts Warns of U. S. Maneuver

R. D. Watts of Beckley, former president of the West Virginia Association of Insurance Agents, in an address before the Charleston Life Underwriters Association, gave a comprehensive discussion of the present insurance battle in Washington. He contended that a program of governmental action has been conceived which if successful will result "in a complete overturn in your business and mine and throw those of our fellow citizens engaged in fire insurance rating out of work, or else result in the federal government's becoming their employer at the expense of the taxpayers."

at 102 52nd avenue, Bennett Beach, St. Petersburg, Fla., and is connected with an investment house.

Sees Post-War Insurance Growth in China

NEW YORK—A tremendous growth of insurance in China after the war is predicted by R. E. Shean, senior vice-president of American Asiatic Underwriters, Shanghai, who returned to this country aboard the "Gripsholm" after spending 10½ months in a Japanese internment camp there. American Asiatic Underwriters did a large general insurance business in the Far East prior to the war, mostly with Chinese risks. A major share of the business was marine. American capital will be needed and welcomed in the economic development which will come after the war, he said.

Following the occupation of Shanghai by the Japanese, 57 local companies were organized to take over the risks written in American and British companies. The companies had limited capital and had difficulty in making adequate reinsurance arrangements.

A strong nationalistic feeling is growing in China and the native companies will need reinsurance facilities. Swiss Reinsurance is very active there.

Mr. Shean lost considerable weight while interned and his sight and hearing were somewhat affected. He is planning to take a vacation in the south and regain his health.

Schauffler Lauds Cincinnati Fire Prevention Activities

CINCINNATI — Cincinnati's long-continuing excellence in fire prevention activities is a practical and convincing demonstration of the ability of voluntary free enterprise to "get things done," Harry K. Schauffler, assistant manager of the National Board, told the Cincinnati Fire Underwriters Association. He spoke on "Affected with a Public Interest."

In recent years, Mr. Schauffler pointed out, Cincinnati has always been a leading contender for national awards given for outstanding Fire Prevention Week programs and for all-year-around superiority. Three years ago the city placed first in the Inter-Chamber Fire Waste Contest sponsored by the U. S. Chamber of Commerce and was a runner-up for another award last year.

Fire prevention activities initiated by the insurance companies which comprise the National Board have been an important factor in lowering the nation's burning ratio 40% since the first world war, Mr. Schauffler said. "And this reduction has been matched by a reduction in the average cost of fire insurance of more than 40%. Surely this is tangible evidence of free enterprise, regulated by the individual states, serving in the public interest."

Discussing the public service activities of the National Board's fire prevention engineering and arson department, Mr. Schauffler emphasized that fire insurance was one of the first enterprises in this country to appreciate that it could prosper and progress only when it was operated in the public interest.

Get sales training from experts in casualty and property lines. Write National Underwriter.

WILL PAY CASH FOR FIRE AND CASUALTY AGENCY IN DETROIT. ADDRESS BOX T-44, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Long Established Reciprocal Exchange writing fire insurance and allied lines desires services of experienced salesman to represent them on West Coast. Reply with full details. Address T-66, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CAPITAL STOCK
Standard
protection
COMPANY INSURANCE



Departments—

CHICAGO
PITTSBURGH
SAN FRANCISCO
KANSAS CITY
INDIANAPOLIS
PHILADELPHIA
MONTREAL
TORONTO

The Best Insurance in the World

U. S. WAR BONDS

For complete protection of

LIFE—HOMES—PROPERTY—LIBERTY

American Equitable Assurance Company of New York

Globe & Republic Insurance Company of America

Knickerbocker Insurance Company of New York

Merchants and Manufacturers Insurance Company of New York

New York Fire Insurance Company

Corroon & Reynolds, Inc.

MANAGER

92 William Street, New York

Losses paid exceed Two Hundred and Fifty Million Dollars

Dear Brother John

My model of a P 51 Mustang is finished. is your fighter a mustang? I hope so I saw a swell movie about the air Force yester day.

Jeeppers Id give my bike and air rifle and every model Id've ever built to be a pilot like you. Dad said all you pilots are fighting so us kids wont have to go to war when we grow up.

Dad says all of us at home must work hard so you will be proud of us when youve won the war The way we are proud of you

Mom says when we think we are working too hard we should just think of John's sacrifices.

I'm making plane models and collecting scrap and helping at the store on Saturdays. I'm going to be an air Raid Messenger but I have got to be older.

I told the guys fellows about the jap helmet you have for me and how your leting me use your type writer while you are away and they say "boy are you lucky". I'm awful proud of you. Come home soon and teach me to fly.

your brother

Don

P.S. I bought another bond for \$18.75 from my savings



*Nation-wide
Facilities*

EIGHT COMPANIES
79 BRANCH AND
SERVICE OFFICES

Western Department
120 So. LaSalle St.
Chicago, Illinois

Foreign Department
111 John St.
New York, N. Y.

Canadian Departments
465 Bay St., Toronto, Ontario
404 W. Hastings St., Vancouver, B. C.

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Cal.

Firemen's Insurance Company of Newark, New Jersey

The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee
Milwaukee Mechanics' Insurance Company

Royal Plate Glass & General Ins. Co. of Canada
The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company
Pittsburgh Underwriters-Keystone Underwriters

FIRE MARINE CASUALTY SURETY

Loyalty Group
INSURANCE

HOME OFFICE • 10 PARK PLACE • NEWARK, N. J.

Write For Complete Facts About



Loyalty Group Coverage and Service

AS SEEN FROM CHICAGO

CRITCHELL-MILLER FETED

Fred W. Koeckert, United States manager, and H. W. Miller, assistant manager of Commercial Union, gave a luncheon last Saturday to members of the Critchell-Miller Agency of Chicago. There were present Manager J. C. Bagby and C. M. Heinze, special agent Chicago office of the company. The Commercial Union has been represented by the firm and its predecessors for 72 years, it making the original appointment of C. W. Drew & Co., which eventually was merged with the Critchell-Miller office.

DRAFT BOARD SESSION

The annual joust and tournament of the Knights of the Round Table of the Union League Club of Chicago brought together a group of 52. As in the past several years, R. D. Hobbs, manager Western Actuarial Bureau, and C. J. Munn, manager Cook County Loss Adjustment Bureau, collaborated in preparing a gridiron type of skit. This

year the vehicle for their humor was a draft board session, two of the neophytes performing as members of the draft board and the other two neophytes being registrants who were seeking to have their classifications changed. The draft board consisted of Bert A. Jochen, western manager of American, and Frank L. Ludington, western manager of Atlas. H. A. Clark, vice-president and western manager of Firemen's, and L. G. Warder, associate western manager of Hartford Fire, were the registrants. A. F. Powrie, western manager of Fire Association, was reelected president.

CARGILL 30-YEAR MAN

Frank G. Cargill, executive representative for North British for sections of the northern and central divisions of Illinois, is celebrating his 30th anniversary with the organization. He started with North British Group as Illinois special agent for Commonwealth, one of the associate companies. After 14 years in the

field, he was called to the New York home office as assistant general agent of the automobile department. In 1929 he was advanced to assistant general agent of the combined western department, comprising the former central and western departments. In 1934 Mr. Cargill returned to Illinois as executive representative in charge of cultivation of business in the northern division of Illinois and of supervision of the newly-established survey department, with headquarters in Chicago.

Mr. Cargill is a past-president of the Illinois Fire Underwriters Association and also past most loyal gander of the Illinois Blue Goose.

SCHILTZ HANDLES ILLINOIS

Louis J. Schiltz, Chicago general agent, who has specialized in unusual risks and London Lloyds business, has been appointed exclusive Illinois general agent by Jefferson Mutual Fire of

agency represents the Cox & Kings brokers at London Lloyds. Enger, Barnett & Hurwith was formed in 1850 and will celebrate its 93rd anniversary in February. The senior member of the firm is Howard K. Hurwith.

BONER ENLIVENS EVENING

At the dinner for W. K. Maxwell upon his retirement as vice-president and western manager of Hanover Fire, a boner occurred that was comparable to the bridegroom forgetting the ring and this provided much merriment. When Charles F. Thomas, manager of the Western Underwriters Association, was ready to make the presentation to Mr. Maxwell of a wrist watch on behalf of the assemblage, it was discovered that the watch was not at hand. It turned out that each of the various persons that was concerned with the details of the evening had assumed that someone else had gotten the watch from the jeweler and would bring it to the dinner, and no one had actually taken care of that detail.

ROCKWOOD COMPANY INCREASE

The Rockwood Co. of Chicago, one of the leading agencies, has a 43% increase in life business for the year to date and a 15% overall increase in all lines. This record was set with 10 less men than a year ago, W. Carter Butler, president, announced. R. C. Carson is life department manager.

E. C. STONE CHICAGO SPEAKER

Some 40 persons in the production end in the Critchell-Miller Agency of Chicago heard a talk by E. C. Stone, United States manager and general attorney of Employers Liability, at a luncheon and office gathering. C. S. Pellet, senior member of the firm, presided. Mr. Stone discussed the Employers group national advertising campaign, which includes not only national periodical advertising but also a Sunday night radio program in which Cedric Foster, news commentator, is the main feature.

MEETING OF SUPERVISORS

The semi-annual two-day meeting of the eight regional supervisors of Underwriters Adjusting was held in Chicago last week. T. A. Pettigrew, the president, who had been at his winter place at Miami Beach, was in Chicago for the meeting. He is returning to Florida the latter part of this week.

LOSS OF \$84,000 IN CHICAGO

The two-story and basement brick semi-mill constructed building at 2701 South Wells street, Chicago was gutted by fire. The building was occupied by



LOUIS J. SCHILTZ

St. Louis. This company has just been licensed in Illinois. It writes all forms of fire and automobile insurance, including fire and collision. Mr. Schiltz has complete charge of underwriting in Illinois and will write the policies and pay losses in the state. He opened his agency in 1934 and has been in the business for 23 years. Mr. Schiltz has been a direct representative of London Lloyds for seven years. His agency does a general insurance business with facilities for writing all lines.

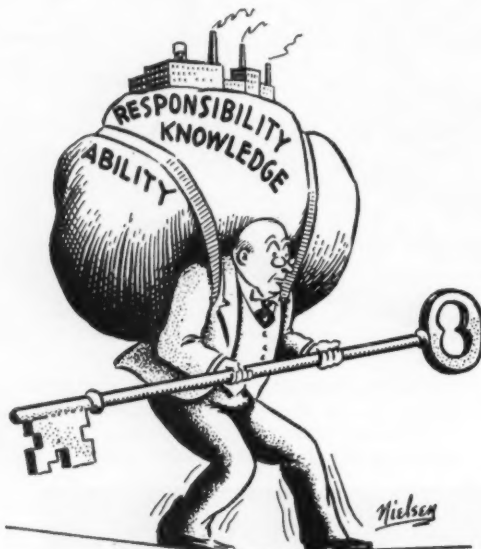
MEET WITH WMC DIRECTOR

The subcommittee that was appointed at the first meeting of the general committee that was set up to investigate questions relating to the 48-hour week that has been decreed for Chicago effective Jan. 16, held a conference Wednesday afternoon of this week with Dean M. Spencer, War Manpower Commission regional director. The subcommittee consists of R. M. Clark, Continental Casualty; Chase Smith, Lumbermen's Mutual Casualty; Charles H. Smith, Hartford Fire, and Walter M. Sheldon, W. A. Alexander & Co., president of the Chicago Board.

MCNEILLY IS MEMBER OF FIRM

Harvey J. McNeilly has returned with the Enger, Barnett & Hurwith metropolitan supervising agency of Chicago as a member of the firm and office manager. Previously until three years ago he was for 10 years connected with the agency. Mr. McNeilly has been in insurance work at Chicago for 16 years. He started with the Albany Park National Bank, being in charge of the insurance department for seven years, then going with Enger, Barnett & Hurwith as underwriter and counter-man. In addition to his other duties he will handle Lloyds business. The

FOR FIRE AND CASUALTY MEN ONLY!



Know Any Key Men?

- Take a look around! Right in your own customers' file is many a concern that depends primarily on one man for its success.
- When the fragile wire of his life snaps, the company may lose its most valuable asset.
- Union Mutual's surplus building Key Man Insurance gives that concern two-way protection.
- Besides you will find it's just the key for unlocking Life Insurance commission.
- A letter to Rolland E. Irish, president, will bring you complete information.



UNION MUTUAL
LIFE INSURANCE COMPANY

Portland **MAINE** Home Office

Fire and Casualty Man

A well established insurance office wants to train a man to manage their analytical department.

This man should be between 38 & 45 with at least 10 years general insurance experience preferably as a counterman or general casualty underwriter in a small or medium size general agency or branch office.

A general all around insurance experience in fire, casualty and surety is preferred to a specialized knowledge.

The starting salary on this position is \$250 to \$300 a month with the assurance of promotion.

EMPLOYER PAYS THE FEE

FERGASON PERSONNEL
INSURANCE PERSONNEL SPECIALISTS
100 W. Jackson Blvd. HAR 9040 Chicago, Ill.

Frankly, our Underwriters won't like this—



but YOU will!

No wonder Underwriters are tearing their hair!
Wise business men are worried, too! Afraid that they'll get caught with their plants down, and no way to get them restored for the duration!

U & O insurance is a headache to Underwriters today. Potential losses are unpredictable. Paying a man the ordinary profits and continuing expenses of his business, during the time of reconstruction after a fire or

other peril had interrupted his production, once was a fairly easy job. With priorities and shortages and war's demands for machinery and raw materials, the period of shut-down today may be extended to double or triple the normal time.

That makes U & O your *big opportunity*. The public demand was never greater. Your sales resistance was never less. So, let's worry the Underwriters by selling U & O. Our facilities are at your disposal through your North America Service Office.

**Insurance Company of
NORTH AMERICA
PHILADELPHIA**

*All forms of Property Insurance, including Fire, Marine, Automobile, Casualty,
Surety, Accident and Health are written by the North America Companies*

BUY WAR BONDS



the Princess Pat Co., cosmetics manufacturer. There was \$29,000 on the building and \$55,000 on contents, both practically total, and there was some damage to the adjoining building.

Capital Now \$3,000,000

ST. PAUL—Increases in the capital of Mercury and St. Paul-Mercury Indemnity are announced. The Mercury capital was increased from \$1,000,000 to \$2,000,000 and that of St. Paul-Mercury from \$1,000,000 to \$3,000,000.

John A. Chowanec, examiner of Hanover Fire in Chicago, was a member of the reception committee of the National Groups division that staged a war bond show in Chicago Sunday. This was the culmination of a war bond campaign that produced \$40,000,000. Mr. Chowanec was a delegate of the United Russian American committee. He is president of Rimas, Society of Benevolent Friends.

Governor Johnson of Kentucky, just before his retirement, appointed a number of colonels for his staff and, among these, he named Frank J. Viehmann, insurance commissioner of Indiana.

Need sales training in elements of coverages in casualty and surety lines? Write National Underwriter.

Brokers Call Meeting on Bailey-Van Nuys Bill

Directors of the Insurance Brokers Association of Illinois at a conference Tuesday voted to call a special open meeting of all members for Dec. 21 in the auditorium of the Chicago Board to discuss the Bailey-Van Nuys bill. The directors several weeks ago passed a resolution opposing passage of the insurance legislation in Congress, and this aroused considerable resentment among some of the members who felt that in view of the wide publicity given the resolution, there should have been a meeting of the entire membership to act on it. A members' committee at large, composed of C. A. Berger, Frank P. Lavin, John Warner and others was formed to urge that a general meeting be called to consider the subject.

Phoenix of Hartford Bonus

Phoenix of Hartford is distributing a bonus to employees of 5% of basic earnings during the year. Employees in the armed services who left during the latter part of the year will also share in the distribution, this in addition to the special consideration that was allowed them when they left.

NEWS OF FIELD MEN

Scott to Local Agency in Detroit; Don Bray New Mich. Girard State Agent

Don R. Bray has been appointed state agent for Girard Fire & Marine in Michigan. He succeeds Kenneth J. Scott, who has resigned to become associated with the Guardian Underwriters, Inc., local agency in Detroit.

Following Mr. Bray's graduation from Armour Institute of Technology he went with the General Inspection Bureau at Minneapolis. Since 1935 he has been with the Western Sprinkled Risk Association in charge of the Michigan territory.

In entering the local agency business Mr. Scott will become a partner and officer in Guardian Underwriters and will represent Girard and Metropolitan Casualty. He is a graduate of Michigan State College, and at one time worked for the Michigan Inspection Bureau as well as the Arkansas Inspection Bureau. He was special agent for Firemen's from 1930 to 1933, and from that time until 1940 was state agent for Standard of New York, which position he resigned to accept the state agency of Girard in Michigan.

Mr. Bray's headquarters will be in the Penobscot building, Detroit.

R. F. Nelson in Western Iowa for Dubuque F. & M.

Beginning the first of the year, George N. Schrup, who has continuously traveled Iowa for Dubuque Fire & Marine for 38 years, will travel only the eastern part of the state.

This change which will enable Mr. Schrup to spend many more evenings with his family and friends in Dubuque, has been made by the Dubuque's man-

agement in deference to Mr. Schrup's long and faithful service.

Russell F. Nelson, who has traveled Iowa for 20 years, and who was formerly with Mill Owners Mutual of Des Moines, has accepted a position as state agent, with Dubuque and will travel western and central Iowa for Dubuque and National Reserve.

Reuter Leaves Pearl to Set Up Adjusting Firm

George H. Reuter of Syracuse, state agent of Pearl-American, has resigned to go into business for himself as an independent adjuster for the companies in the Loew Theater building, Syracuse. He has been with the group since 1930. He originally represented Eureka-Security F. & M. as state agent and remained with that company on its affiliation with Pearl. He had been with the three Pearl companies from the time of their merger in 1934.

London Assurance Revamps Pacific Northwest Setup

After Jan. 1 J. Edward Johnson, who has covered the western Washington field for London Assurance and Manhattan Fire & Marine out of Seattle for many years, will devote his time exclusively to the British Columbia field as manager for the province with offices in the Bank of Nova Scotia building, Vancouver. He will report to Montreal.

His field will be taken over by D. E. Beard, special agent for Oregon, who will have supervision of both Oregon and western Washington. The London Assurance Seattle office will remain in the Empire building and the Portland office will be continued in the Porter building.

E. E. Dewar, special agent at Spokane,

GUARDIANS OF THE SEA



For aircraft bombing practice, the Navy uses its Bomb Target Boats, which twist and dodge through the water in their efforts to avoid being "hit." Usually about 60-feet long, their high speed makes them difficult moving targets to test the skill of Navy bombardiers. Test bombs are "loaded" with water; a steel deck protects the occupants of the boat against direct hits. These craft also serve as moving targets to test accuracy of fire from coastal guns and are used to tow

destructible targets for bomb or gun-fire.

The Navy meets the enemy's challenge to America's merchant shipping by using many types of war vessels, each craft particularly designed to serve one special purpose. To render maximum protection to ships and cargoes, marine insurance keeps pace with changing conditions of the seas—provides policies specially designed to do their special jobs. Appleton & Cox, Inc., pioneers in the marine field, offers nationwide facilities to Agents and Brokers, with expert assistance available to solve ocean and inland marine insurance problems of today and tomorrow.

Appleton & Cox
INCORPORATED
OCEAN AND INLAND MARINE UNDERWRITERS
111 John Street, New York
BRANCHES IN PRINCIPAL CITIES

When
you
think
of
REINSURANCE
think
of
Frank Burns Company
OVER A QUARTER OF A CENTURY EXPERIENCE
NEW YORK AND LONDON MARKETS

is taking over the Yakima valley field formerly covered by Mr. Johnson, in addition to the Inland Empire territory which he now travels.

J. W. Doran Handles Wis. Field for Duration

Joseph W. Doran, assistant secretary of Globe & Rutgers, has gone to Milwaukee to act as Wisconsin state agent for the duration while William F. Bissett is serving in the navy. Mr. Bissett was recently commissioned an ensign and has been ordered to report for active service in New York.

Start Tenn. Plant Inspection

NASHVILLE—With Charles E. Griffith Jr., manager Travelers Fire and president of the Tennessee Fire Prevention Association, as state director, and George E. Harbison, America Fore, Fire Prevention Association secretary, as assistant director, war plant inspection program in Tennessee will get under way this week. About 20 field men have been named as inspectors following a special training school. There are about 400 plants in the state to be inspected. Mr. Griffith was appointed as state director by Commissioner McCormack. J. C. Schmidt, Home, is chairman of the evaluation committee.

Fireman's Fund N. Y. Changes

Edgar C. Haselton of Syracuse, central New York special agent of Fireman's Fund, has joined the navy. Special Agent Lorin D. Goulding, Jr., of Buffalo, who supervises western New York, will extend his territory to cover Mr. Haselton's field.

Special Agent J. J. Rooney of the marine department and Special Agent R. S. Kean of Fireman's Fund Indemnity will continue their headquarters in Syracuse.

N. J. Field Club to Hear Watson

The New Jersey Field Club will hold a luncheon-meeting in Newark Dec. 20. Leon A. Watson, expert of the Schedule Rating Office of New Jersey, will speak.

Ohio Speakers Hear Gilsdorf

W. J. Gilsdorf, former state agent of North America, addressed the Ohio Stock Fire Insurance Speakers Association in Columbus on "Memoirs of a Field Man." He dealt with the obligations of a field man to the public, his company and himself.

San Francisco Christmas Luncheon

The Christmas luncheon of the San Francisco Blue Goose will be held Dec. 20. It is in the nature of a tribute to the memory of the late John L. Schively, for years wielder of the organization. Funds are collected for charity and divided among certain charitable organizations which Mr. Schively aided every year.

Grand Nest Expenses to Charity

KANSAS CITY—The Heart of America Blue Goose at a meeting voted to use the funds collected to pay 1943 grand nest delegates' expenses to provide Christmas toys and games for the Gillis Orphans' Home. W. B. Winchell, North British state agent, has donated a ping-pong table which the members will assemble and paint for the playroom.

The pond will hold a buffet luncheon and stag get-together Dec. 27.

Life Membership to Gohlmann

The eastern Iowa Blue Goose puddle presented a life membership to K. P. Gohlmann, special agent of Security of Iowa, at a luncheon Wednesday at Clinton. W. W. Boardman, Royal, secretary of the puddle made the presentation.

Ariz. Group Has 50 Members

PHOENIX—At the December meeting of the Arizona Fieldmen's Association,

organized last March, President Wallace B. Berry, Hartford Fire, reported that the group now has a membership of about 50. The annual election will be held in March.

Ariz. Blue Goose Meeting

The Arizona pond of the Blue Goose at the December meeting in Phoenix saw movies of naval training presented by navy recruiting personnel. Of the Arizona pond's membership of 60, 15 are now in the armed forces.

The New Jersey Special Agents' Association

will hold a Christmas party the evening of Dec. 20 in Newark.

Vance Harer, Phoenix, special agent of Fireman's Fund, spoke at the Bisbee, Ariz., Rotary Club.

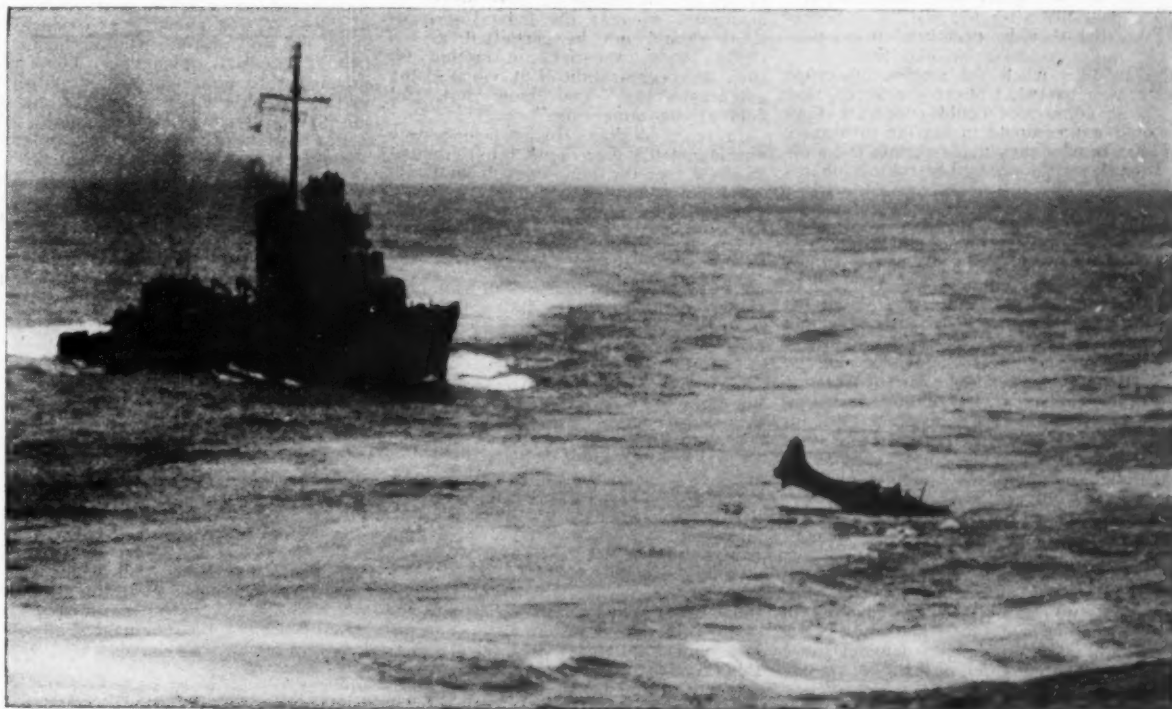
The ladies auxiliary of the Seattle Blue Goose entertained 1,300 service men and women at a Christmas party. Mrs. E. W. Trenbeth was general chairman. The Seattle pond joined with the auxiliary in allocating funds to finance the party.

Miss Estelle Best, daughter of Alfred M. Best, gave a piano recital at Town

Hall in New York City on Monday of this week. Miss Best has studied in this country and in Europe. This was her first large public performance.

Jan. 14 Hearing on Smith Case

Circuit Judge LaBuy has set Jan. 14 for hearing the Graeme Smith injunction suit against the Illinois insurance department. The attorney-general will amend the state's motion to dismiss the temporary injunction which Mr. Smith, Chicago, secured in the litigation over a delay in renewing Mr. Smith's broker's license.



U. S. Navy Official Photograph

Story with a Happy Ending

HERE'S heart-warming evidence of how our Navy prevents loss of life in a situation probably due to empty gasoline tanks. More power to the men "out there" who fulfill their missions, come what may!

For the general insurance man on the home front, we can offer a different kind of evidence of how to prevent loss of *earning power* brought about, similarly, by your clients' lack of gasoline.

Here's how one of our general agents came to the rescue of a couple of brokers who had lost a lot of automobile insurance commissions:

"The Blank Brothers," he writes, "finally saw the light and agreed to match time with

me. I have had regular weekly sessions with them on life insurance fundamentals and selling methods. In three months they have paid for \$70,000 and have submitted two more cases already this month. Needless to say, they are really sold on the life insurance field now, and expect to continue selling for New England Mutual."

(Actual case history)

You can get the same kind of cooperation from your local New England Mutual general agent. Why not check with him today? Or, if you live where we have no agency office, write to Wm. Eugene Hays, Director of Agencies, at the Home Office in Boston.

Let us help YOU to a new source of income through . . .

New England Mutual
Life Insurance Company of Boston

George Willard Smith, President

Agencies in Principal Cities Coast to Coast

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA—1835

O'Mahoney Promises Witnesses Against States Rights Bill

(CONTINUED FROM PAGE 1)

reported exemption bill. He forecast the rules committee would act favorably and the House will not consider the bill before Christmas. The rules committee did not reach the insurance bill Wednesday morning in its hearings on requests for legislative priority for various measures.

Concerning the American Foreign Insurance Association constitution and by-laws, Mr. Williams said:

"If we are going out internationally for insurance after the war, it is necessary that they be permitted to cooperate under associations like this.

"In 1920 when the marine insurance act was passed, Congress realized that unless companies could cooperate they could not compete in marine insurance. That is why they made certain the anti-trust laws do not apply to marine insurance."

Regarding the Interstate Underwriters Board, Mr. Williams said that, in effect, property is insured for 100% of its value, compared to the 80% customary in ordinary commercial insurance.

Taking up the organization of the Interstate Board, O'Mahoney recalled Williams' previous testimony that it was formed at the suggestion of the National Association of Insurance Commissioners. O'Mahoney then referred to a report to the New York insurance department, 1941, stating that around 1926-27 the fire companies, through a committee appointed by the Eastern Underwriters Association, developed a plan for organizing the board. The report quoted from the board's manual.

"The plan was developed by the executives," said O'Mahoney, "and they said it was done because changes in the method of merchandising have brought about a definite demand for a county-wide method of handling insurance problems."

When Williams said he stood by his statement of how the I.U.B. came to be organized, O'Mahoney charged that the companies occupy "an anomalous position. You say insurance is solely a matter for state regulation, and the federal government has no business in-

terfering, even though the companies engage in conspiracies in restraint of trade.

"On the other hand, insurance executives found conditions have changed so that in their judgment it was necessary to set up the interstate organization.

"Why is it you contend upon one hand that insurance companies have the right, indeed the responsibility and duty to set up an interstate government of insurance, whereas the federal government should not be permitted to restrain those executives in setting up such an organization if it violates the anti-trust laws. You blow hot and cold at the same time."

In reply Williams insisted there was nothing in the New York report quoted to show that the companies did not talk with the commissioners. The I.U.B. was formed after a talk between companies and commissioners, he insisted. He said that foreign companies had come in and written marine policies to cover certain risks, and "the commissioners thought there should be some way to have competition between foreign and domestic companies."

As a result of the discussion, the Eastern Underwriters Association set up the I.U.B.

Not "Any Government at All"

That board is not "any government at all," Williams insisted. "There is no evidence of lack of control by states or of the necessity for a federal insurance bureau. These rates are all controlled by the states. I.U.B. suggests average rates for risks covering many states. All the states have control over those rates. They must clear with the state authorities. There is no 'super-government' put over on anybody. You think we have to have the federal government into everything."

To this O'Mahoney replied: "I believe that when business is organized on a national and international scale it is altogether impossible for people in their local capacity to compete with these national and international organizations, and that their operation re-

sults in suppression of local enterprise, the crushing of local business, elimination of competition and concentration of the control of business in New York or Chicago, just as control of insurance is concentrated at 85 John street, New York, and on West Jackson boulevard, Chicago."

Best Table Introduced

A feature of Mr. Williams' testimony was based on a table certified by A. M. Best & Co., showing experience of stock fire and marine insurance companies, particularly earnings. This was in answer to figures recently published in the "Weekly Underwriter." According to the Best-Williams table the adjusted underwriting profit or loss percentages were as follows: 1939, 2.3%; 1938, 2; 1937, 3.2; 1936, 2.5; 1935, 4.6; five-years, 1935-39, 2.9.

Net investment income: 1939, 4; 1938, 4.1; 1937, 4.9; 1936, 4.1; 1935, 4.1; 1939-35, 4.2.

Total earnings: 1939, 6.3; 1938, 6.1; 1937, 8.1; 1936, 6.6; 1935, 8.7; 1935-39, 7.1.

At the outset, Williams said that in response to various requests of O'Mahoney for data and documents, a list of companies represented by chief executives in I.E.A. has been filed with the committee. There is no requirement for membership in any association, he said. Every company in I.E.A., he said, is a member of either the Eastern, Southeastern, Western Underwriters Associations or Pacific Board.

"No company has been denied membership or expelled," said Williams.

"There has never been investigation of violation of rules, never fines or penalties. Do the companies all obey the rules as laid down," asked O'Mahoney.

"Yes."

Williams reviewed the history of the four underwriters associations. He said by-laws and constitutions of various insurance organizations asked for by O'Mahoney have been filed. Except the four underwriters associations, he said, these organizations were formed

to write a particular kind of business. The total amount of premiums of all associations average less than 5%. For Cotton Fire & Marine Underwriters, Williams said, there was filed a form of general power of attorney from one company to the association.

Charges Competition Eliminated

Referring to his bill for federal licensing of corporations, O'Mahoney charged that "insurance companies operating from a central point eliminate competition as the text of the I.U.B. constitution and by-laws shows."

"I am working for local economic independence," O'Mahoney asserted. "I believe the insurance business will be better off once centralized control is broken down, exercised by voluntary associations like yours."

"There is no centralized control," Williams insisted. "Nothing in the I.U.B. stops competition. I believe there are good people in big business. If we keep our house in order that is something to be praised, not criticized. We are rendering a public service in doing that. We are not trying to stifle competition. God knows there are enough insurance companies."

Question of Reinsurance

"Why not permit member companies to grant reinsurance to any company not affiliated, no matter how good a contract is?"

"We say we don't wish reinsurance if they don't do business the way we think it should be done," answered Williams. "In the insurance business there are millions done by binders over the telephone. When large risks are taken they have to be reinsured. 'We don't want a risk that is not good. I think we have a right to do that. I have no apology for it. It is a good thing.'"

Champions the Rule

"You defend as proper the rule of the I.U.B. which absolutely forbids any member of the board to write reinsurance for a non-member? You defend that?"

"I do."

"That is a direct agreement by members of the board they won't do business with a certain type of company; is it not?"

"The object of I.U.B. is to get an




PROVIDENCE WASHINGTON INSURANCE COMPANY

INCORPORATED 1700
1899

ANCHOR INSURANCE COMPANY

INCORPORATED 1928



PROVIDENCE, RHODE ISLAND

BOTH COMPANIES WRITE
FIRE, WINDSTORM AND ALLIED LINES • OCEAN AND INLAND MARINE
ALL RISKS • AUTOMOBILE • COMPREHENSIVE, FIRE, THEFT AND COLLISION

Property Facts Will Help..



**The AMERICAN
APPRAISAL
Company**

CONSULTANTS IN PROPERTY TECHNIQUES

average premium for certain risks," said Williams. "You talk about improper rates. You have shown nothing. Where is your proof?"

READS FROM SECTION

O'Mahoney read from section 12 I.U.B. constitution and by-laws: "No member shall accept any reinsurance on any form of policy or risk under the jurisdiction of this board from any non-member company, whether or not such reinsurance protects the writing company on a particular contract, in part or in whole."

"No matter how good a contract is, whether or not it protects the company, if offered by a non-member, it cannot be received by a member," said O'Mahoney. "Will you stand on that?"

"Sure," replied Williams. "That is a definite commitment by the insurance companies affiliated with the I.U.B. not to grant reinsurance to competing companies," insisted O'Mahoney.

"That is not the purpose at all," insisted Williams. "They want to be sure they have a sound rate. Companies that want to enter the I.U.B. can do so. They don't want to write an improper rate directly or through reinsurance."

"Suppose a non-member offers you or your companies a contract written at the sound rate you describe and complying with the form prescribed, but it is a non-member company?" said O'Mahoney.

"Will you tell competing companies they can't get reinsurance without joining the board?"

"They know it," said Williams; "they can get reinsurance."

"That's my story," said O'Mahoney. "And that's mine, too," retorted Williams.

"If it is possible for the I.U.B. to enforce such a rule," continued O'Mahoney, "and if Congress now says the anti-trust laws should no longer be permitted to apply to any act in the conduct of the insurance business, what guarantee can you give that insurance executives and companies, in a month or a year or five years, after that exemption is granted, will not impose even stricter regulation upon non-members?"

Anti-Trust Laws Not Involved

The anti-trust laws "have nothing to do with it," Williams insisted. "If we go into a joint undertaking and each will be liable we want to be certain no improper risk is undertaken."

He compared the provision to a partnership agreement.

"This is for the good of the business and everybody knows it. There is no imposing of government."

Witness added he did not know "whether we will have stricter rules. If we are going to keep our house in order for the protection of the public, then I think we should do it and will do it."

"Then if it is the judgment of the companies to combine and conspire in restraint of trade, they should be permitted to do so?" asked O'Mahoney.

"No," replied Williams.

Restrictive Regulations

"If the anti-trust law is repealed so far as insurance is concerned, would it not be possible for companies to write more restrictive regulations?"

"I think the insurance business is not subject to the anti-trust law," declared Williams. "These things promote trade, not restrain it. If we do anything improper in future the states can stop us. The states are satisfied with the present situation and the people are satisfied."

O'Mahoney read from the report of an examiner to Superintendent Pink saying operations of the I.U.B. have departed materially from the original plan proposed to the insurance commis-

sioners. Reference was made by O'Mahoney to "agreements to keep commissions down, to keep rates as you want them, to keep forms as you want them under strengthened penalties."

"Congress should not condone or overlook any violations of the anti-trust law," declared O'Mahoney. "You don't find Pink or any state calling upon the Department of Justice to help them out," replied Williams.

"Before the hearing is over you may find them," warned O'Mahoney. "Commissioner Dineen is now moving in the insurance field."

The conclusion of the New York

examiner referred to above, he said, was that the companies in the I.U.B. have departed from the plan proposed to the states, have disregarded local conditions, have levied discriminatory rates.

Senator Ferguson's Point

When the Senator and the witness became involved in wordy conflict Chairman Van Nuys remarked: "You are both lawyers, so keep your blood pressure down."

O'Mahoney took up variations in rates of premium and losses per \$100 insurance prepared by the "Weekly Underwriter" and declared "there has

been widespread discrimination in rates and premiums."

"The figures don't prove any such thing," asserted Williams.

Senator Ferguson, Michigan, brought out that about 150 companies are in the organization, with 200 outside; that most of those outside charge the same rates, although "they can charge any rate permitted by the states."

Williams said he didn't know what percentage of the business was done by the organization. He said some of the companies belong to other underwriters organizations, some do not.

He added that the "Weekly Under-



Practically all forms except life

GREAT AMERICAN
GREAT AMERICAN INDEMNITY
AMERICAN ALLIANCE
AMERICAN NATIONAL
COUNTY FIRE
DETROIT FIRE & MARINE
MASSACHUSETTS FIRE & MARINE
NORTH CAROLINA HOME
ROCHESTER AMERICAN

ONE LIBERTY STREET • NEW YORK CITY

writer" figures are valuable only to show trends. If figures for 10 years preceding 1931 were taken instead of those for 1931-40, he said, the result would be entirely different.

"Insurance aims at expectancy which doesn't always work out," he admitted.

The "Weekly Underwriter's" figures clearly establish the trend that rates have gone down, the witness said. Very few times have rates been raised in 25 or 30 years. The average rate of premium per \$100 does not show actual figures, he pointed out. Premiums may be for 1, 3 or 5 years.

"For that reason," said Williams, "your premium figure in the table is a great deal higher than the actual rate."

"Again California premiums are more than those of 11 other states combined. It is like the fellow who said he made rabbit sausage 50% rabbit, 50% horse; one rabbit and one horse," declared Williams.

Witness took up for criticism and analysis tables submitted by the Department of Justice and appearing on page 144 of the printed record of the hearing. It was brought out they were prepared by George H. Comer, chief economist and investigator of the department, who sat at O'Mahoney's right hand at the hearing table.

Taking of the 5 years, 1935-'39 Wil-

liams considered specially significant. In the preceding years investments fell off materially in value. Stock and mutual companies were "mixed up" he complained; 2.75% of the mutual companies guaranty fund was treated as capital, although witness pointed out this fund is "nothing like capital stock of stock companies."

Williams continuing the attack upon the department's figures, Comer was asked about the preparation and explained that figures in the statistical abstract of the United States did not contain any item equivalent to invested capital in the case of mutual companies.

"It would be unfair to calculate figures on the basis of capital stock," said Comer. "I added to capital stock what Best called the guaranty fund or capital paid up by mutual companies."

"Do you think that is fair?" asked Senator Ferguson.

"I think it ought to be added in," replied Comer. "As an economist I don't care to whom I am fair."

Williams charged that the department is "trying to show profits." "There is no such thing as capital of mutuals," he added.

Comer replied that Best reported 340 stock companies, 358 mutuals; that "I took published figures of mutuals and stock companies. All mutuals write

about 15% of premiums," he said. "Stock companies about 85%."

Williams declared marine and other premiums besides fire were included in the table. He charged that the purpose was to "show earnings" and deviation by states. "Instead of 88% profit," he declared, "you will find it runs around %6."

Senator Ferguson asked that separate tables be prepared for stock companies and mutuals. Williams said Representative Ploeser analyzed the Department of Justice figures before the small business committee.

BOMBING COVER

For a 10-year period the "picture was more pronounced" than for the 5-year period, the committee was told. When it was stated that there should not be included companies' enormous profits for writing bombing insurance, Williams declared Comer knew that only one wrote such insurance.

When Williams said that "Companies took an awful licking in marine insurance since the war began," Senator Ferguson suggested it would be fair "if marine paid out large amounts in 1942," to average up their returns for other years. Comer agreed that "1942 has no significance regarding marine insurance, shipping, export or import trade."

Changes in Asset Values

Williams pointed out the companies had to write down their investments for several years up to 1934. Later, when those investments increased in value, those increases were added in, in an "attempt to show tremendous earnings," Williams charged. "You should take capital stock, surplus and equity in unearned premiums. He has distorted figures. Williams then submitted the figures certified by Best, which show the highest earnings in any year were at the rate of 8.7%.

Comer asked that a table be submitted

to show the proportion of underwriting profits included in earnings.

When Williams attacked the department's table purporting to show some relation between premium rate and density of population, Comer replied that the department has been "keeping a record of fire losses by cities and states" but has "not found anything more direct than something like" the table referred to. He added the department had received a report from Miami that officials there had not been able to obtain from S. E. U. A. or companies in it figures breaking down losses for cities.

Stating that the city of Rochester, N. Y., has paid "unduly high premiums" with unusually low losses, O'Mahoney said that "by the rating system now in effect, a small company and small property owners carry some of the insurance of the big owners." The committee should obtain statistics of city premiums and losses, he said.

"You have mixed up three things and I want to unscramble them," Williams declared. "It is obvious that per capita fire loss has nothing to do with rates. Because in one city you have a low loss ratio, does not mean anything. If Rochester has a low loss ratio we do not lower rates and then raise them when high losses occur."

For the department's table 7, said Williams, showing loss ratios, brick construction, "we have found no foundation."

Under questioning, Comer said those figures were taken from confidential files of the Department of Justice. "The purpose," he declared, "was to show ordinary men bear the burden of insurance of the big risks. If you are big enough to dicker on insurance rates you will get a competitive rate from a broker."

Senator Ferguson suggested a "big risk" might have a sprinkler system and other improvements installed. But Comer insisted that "the big risk don't bear a fair share of the burden of insurance."

Comer said the figures under discus-

Actual size reproduction of advertisement in our ADVERTISING AIDS TO AGENTS. Write for "packet" containing timely advertising, direct-mail and follow-up suggestions.

ON THE SPOT WHEN YOU NEED HIM

You can never tell just when the experienced services of your insurance agent will be needed—but it would be good to know that he's nearby all the time and available at a moment's notice.

You can secure this important advantage—and others, too—by placing your policies with this local agency. We are always ready to jump in and help protect your interests. Phone or see us today for a friendly consultation.

(YOUR IMPRINT)
(Telephone No. & Address Here)

Priorities, Tires & Gasoline Won't Keep This Agent From the Scene!

Phoenix-London

GROUP

55 FIFTH AVENUE · NEW YORK

PHOENIX ASSURANCE CO., Ltd.
IMPERIAL ASSURANCE COMPANY
COLUMBIA INSURANCE COMPANY
UNITED FIREMEN'S INSURANCE CO.
THE UNION MARINE & GENERAL INSURANCE CO., Ltd.
LONDON GUARANTEE & ACCIDENT CO., Ltd.
PHOENIX INDEMNITY COMPANY

Year in and Year out - you'll do well with the Hartford Accident and Indemnity Company

sion represent a 20-year average and were taken from the E. U. A. territory "from company figures," he added.

Committeemen expressed great interest in the department figures and when told they were in the confidential files, Chairman Van Nuys asked:

"May we have them in executive session?"

Comer said he could only promise for himself, not the department, that he thought they could be so submitted that way.

"If they are not I would not give much credence to your table," remarked Van Nuys.

Much interest was expressed by committeemen in why and "how come" figures for black smith shops, leather goods and all sorts of other businesses were included and whence they were derived.

CLASSIFICATIONS

O'Mahoney said that formerly insurance companies published statistics showing ratio of losses in great detail. Now figures are given the states, it was said, for 20, 30, or 40 classes, perhaps, instead of 600.

"Could not the states require that," Ferguson wanted to know.

"The states determine what classifications shall be reported," Williams answered. "The Department of Justice has pressed through this matter for years."

Asks What Table Proves

Van Nuys inquired, suppose the department's table was all it was represented to be, "what does it prove?"

"There are two fields of competition in insurance," answered Comer, "one for the big account of \$10,000 to \$20,000, and up premium, which brokers obtain by shopping around through the interstate bureau. There is competition in that field. The Chrysler building in New York would get a good rate. But the small man in the shade of that building does not get competitive rates. He pays by the book. Therefore, if competition should extend down to the small men, as it now applies to the big risk, rates would be substantially realigned."

"Are you attacking the integrity of the state bureaus?" Van Nuys asked.

"No, the states don't prepare the books," replied Comer.

"You contend the federal government should do this regulating?" Ferguson asked.

"No."

"Who is going to fix it, to correct it, if wrong?" Van Nuys inquired.

"If rates are fixed competitively, as on the big risk, you don't have to regulate them."

"Who do you propose to do it?"

Outlines the Situation

"Speaking without authority of the Department of Justice and purely and simply on my own responsibility," Comer outlined the situation and remedy as he saw it, as follows:

"You have a fabric of rate making and price fixing in insurance all over the United States, by the insurance rating bureaus, private organizations of these companies. For the most part these bureaus, in my opinion, operated by big insurance companies, do an indispensable and important work, because they have engineering units and facilities. They have ways of examining construction of buildings, what risks they are exposed to, that no single company could do. These bureaus perform an important function. I don't know what the Department of Justice thinks about it."

Every day, continued Comer, the New York "Journal of Commerce" lists 100 to 150 instances where rates are changed in New York City.

"The bureaus should do all that," added Comer, "but they do something more. They write the rate on those buildings. If you would let these groups do that engineering work and make information available, on a small, reasonable fee, and just leave the price tag off the suit of clothes after you say it's all

wool, then you won't have to have rate making regulation."

"Have we any authority to do that?" Ferguson wanted to know. He suggested that the most the federal government could do would be to advise the states on that subject. He brought out all the rates are filed with the state authorities, so that they may be seen. "Rating bureaus don't have a absolute authority, do they? They are subject to state regulation, aren't they?" continued Ferguson.

"What is your cure for this, if you are right about it?" asked Van Nuys.

"I would have as active and intelligent bureaus in all states as in New York and Texas," Comer replied. "I would let the engineering work go on, but not let the bureaus publish rates for every building."

He went on to say that when a building is to be constructed contractors can get specifications in detail and decide what they will put it up for. "Let them make up their own minds, on competitive rates," he added, referring to insurance.

"In other words," said Ferguson, "you say New York state is wrong. How is the federal government going to compel the state to do that? Should we establish a federal bureau here to fix insurance rates?"

"I have never thought of such a bu-

reau, but personally, I think not," Comer replied.

"State laws might be improved? suggested Representative Hancock, New York, author of the House insurance exemption bill.

Leave Price Tag Off

"Rates should not be written and put on each risk that is written," Comer continued. "Leave the price tag off, if that is competitive, you don't want federal regulation."

O'Mahoney contended questions asked Comer were irrelevant. "The issue," he said, "is not whether state regulation is good, bad or indifferent, but whether we should make any suggestion to improve such regulation. The issue is in this bill, that the anti-trust laws should not be permitted to apply to insurance."

"COMMERCE" ISSUE

"All my questions have been designed to bring out one simple fact, and that has been clearly demonstrated. That the insurance business has strong voluntary organizations to operate in the interstate business field. These associations they formed undertook to govern the insurance business."

"It is clear from the evidence from the

constitutions and by-laws that these organizations operate in the field allotted by the constitution to the jurisdiction of Congress, that is interstate and foreign business. I am avoiding use of the word 'commerce.'

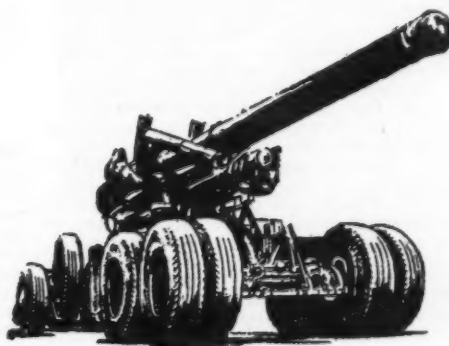
"With respect to every other business Congress says in the anti-trust laws there shall be no conspiracy in restraint of trade. The bill before us proposes we shall definitely say that conspiracies in restraint of trade shall not be prohibited by federal law. In other words, it says the insurance business shall be permitted to do that which we prohibit every other business to do."

"It is utterly different from the question whether the states have or have not power. The only question is this proposal that we shall say if you engage in conspiracy in restraint of trade in the years to come you shall not be held to violate the law."

Not New Enactment

Chairman Van Nuys said he would "prefer to say the bill was not a new enactment by Congress," but resulted from "the reaching out by the Department of Justice and bringing it in, in the face of 75 years' decisions of the Supreme Court that insurance was not commerce."

O'Mahoney then announced that he



It's the guns, the tanks, the planes, manned by our men and bought with our bonds, which protect our country and its way of life. Insurance protects the citizen, his family, his home, his business. Our business is to first buy the bonds—then tell people how insurance will protect them at home!



HIO FARMERS INSURANCE COMPANY

Chartered 1848, LeRoy, Ohio

MEMBER • THE NATIONAL BOARD OF FIRE UNDERWRITERS

Sprinkler System FAILS — FIRE LOSS \$300,000.00

The above — a recent newspaper headline, emphasizes anew the value of insurance against money loss — despite all precautions to prevent such losses.

In its 78 years of dealing with its agents and their customers, Reliable has established the enviable reputation of "fair adjustments and prompt payment of all just claims" which goes far in leads to additional policies for Reliable's agents.

For full details, write Wm. F. Kramer, President; E. J. Weiss, Secretary, Reliable Fire Insurance Company, Dayton, Ohio.

STATE AND SPECIAL AGENTS

R. E. Metzger
162 E. Duane Rd.
Columbus, Ohio

C. R. Dobbins
3350 Carrollton Ave.
No. 14
Indianapolis, Ind.

Finnell & Finnell
2527 David St.
Detroit, Mich.

For 78 Years
[a Name to Rely On!]



"would be perfectly willing" to amend the bill, "and support it as amended," by striking out the words "of the business of insurance or of acts in the conduct of business."

That would leave the pending bill provide, he explained, that nothing in the anti-trust acts "shall be construed in any wise to impair regulation of that business by the several states."

"That would merely mean," continued O'Mahoney, "that Congress would not grant a charter to those engaged in the insurance business to violate these canons of ethical conduct laid down in the anti-trust laws to break local business and state's rights."

"I can assure you the subcommittee will discuss that in detail," announced Van Nuys.

Comply With State Laws

Williams told the committee the insurance business "realizes the rating bureaus are necessary to the business and benefit the public." "We try to comply with state laws," he continued. "The department of justice is trying to prosecute us for complying with state laws."

Though admitting the Supreme Court "might change the law," Williams said if its former decisions are overturned the insurance business would be "in complete chaos. If we follow state law we could be convicted under federal law. If we follow federal law we would be violating state law." The O'Mahoney amendment, he stated, "would open the door wide, contrary to Supreme Court decisions, and would produce interminable litigation and conflict between state and federal governments."

"The bill you introduce gives the insurance companies carte blanche," replied O'Mahoney. "In support you argue it is essential for the proper conduct of the business that there should be certain agreements among the companies and that they should be permitted without interference to form their interstate organizations."

"Now my judgment is that, instead of giving you carte blanche to do what you please from now on, Congress would be justified in asking the specific types of combinations and agreements you want, and then have Congress say the anti-trust law shall not apply to them, namely, A, B, C. You say anything should go from now on. If we adopt this bill we would be pointing the guides to any kind of action in future. Why not be specific and state what you think the companies should be permitted to do?"

"That is not up to us," Williams replied.

In response to the chairman's inquiry, Williams said he had nothing more to add, and after O'Mahoney's statement concerning future witnesses, adjournment was taken.

Police Chief Confesses Setting Three Big Fires

H. H. Winkler, police chief of Coloma, Mich., has been held by the justice of the peace at St. Joseph under bond of \$10,000 on each of three charges of arson. He has confessed that he set four fires, the total loss being about \$125,000. A quantity of sex literature and pictures was found at his residence.

Winkler had undertaken to cast suspicion on a nine year old boy, who was subsequently confined to the Coldwater Home & Training School, and as a matter of fact the youngster had set two or three fires.

The Michigan state police arson division and state fire marshal's office were aided in the investigation by Richard Steinmetz of the Mill Mutual Fire Prevention Bureau of Chicago. The mutuals investigated following a fire at the Coloma Fruit Exchange Sept. 18 with a loss of \$12,000. Mr. Steinmetz, with the aid of a lie detector test, got a confession from Winkler of that fire, and then Winkler confessed to the police the other crimes. Winkler confessed setting the fire at the Michigan Shore Lumber & Supply Co., the loss exceeding \$40,000, with mutual companies principally interested; the loss of the Coloma theater, where Boston had \$9,000 insurance and North British & Mercantile \$19,000, and the cattle barns of Dr. T. C. Tiederpohl in 1941. He was charged, however, with only the first three fires. The National Board some time ago had made an investigation of the theater fire.

Winkler confessed to Chief Deputy Sheriff Kubath, Detective Sergeant Hinckley and Detective Petermann of the state police.

Winkler is an intelligent man. He attended Ohio State University two years on a scholarship.

Hartford Board 80th Year Party

HARTFORD—The Hartford Board of Fire Underwriters will celebrate its 80th anniversary at its annual meeting Jan. 11 with a dinner at the Hartford Club. An attractive program has been arranged, according to E. S. Cowles, secretary-treasurer. Speakers will include Senator J. A. Danaher; W. Ross McCain, president Aetna Fire, and Commissioner W. Ellery Allyn.

Hopps Group Buys Fidel Stock

NEW YORK—S. B. Hopps, president Atlantic Brokerage Corporation, and associates have purchased all of the capital stock of Fidel Association of New York, Inc., from receivers of Fidelity Assurance Association.

REDUCED fire insurance costs often available as a result of unusual engineering service.



The
CHARTER OAK FIRE
INSURANCE COMPANY
~HARTFORD, CONNECTICUT~

ONE OF THE TRAVELERS COMPANIES

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1854

The Connecticut
Fire Insurance Co., Hartford, Conn.
1850

FOUITABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

SAN FRANCISCO
220 Montgomery Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

Army Insurance Chief Is Now a Colonel

Lieut. Col. Reese F. Hill, who is in charge of the Army insurance division at Washington, has now been promoted to a colonelcy. He received the promotion on his 35th birthday. Colonel Hill, who was in the reserve, entered active service as a lieutenant and shortly thereafter was assigned to handle insurance problems that were beginning to arise. He had been with Fidelity & Casualty in Washington. He has developed the insurance division into a major unit and is credited with having had a major voice in developing the war projects rating plan which is familiarly known in the trade as the Hill plan.



Col. R. F. Hill

Mutuals Not Exempt from 112

WASHINGTON—Although the Senate finance committee has adopted an amendment exempting fraternal organizations from Section 112 of the revenue bill requiring annual financial returns from tax exempt, non-profit organizations, no such exemption is included for mutual fire and casualty companies. The large mutual fire and casualty companies are subject to federal income tax but the farm mutuals and smaller organizations are exempt, so if Section 112 is enacted these smaller insurers will have to file information returns.

Name Cincinnati Nominators

CINCINNATI—The nominating committee to select candidates for the executive committee of the Cincinnati Fire Underwriters Association, just appointed by Gustav May, president, includes Thomas N. Geoghegan, chairman; T. T. Bryant, C. W. Clemons, H. Fahrenbruck and Howard Roth. The committee will be elected at the annual meeting in January.

Goodpaster Has Resigned

Sherman Goodpaster, insurance commissioner of Kentucky for eight years, resigned last week due to the fact that a Republican governor was taking office. Before retiring from the governorship Keen Johnson, the Democratic governor, commissioned him as an aide-

Terry Testifies Rate 10% Under One McKittrick Seeks

JEFFERSON CITY, MO.—Another session of hearings in connection with Attorney-general McKittrick's anti-trust suit against fire companies will be held here beginning Dec. 29.

At the hearing in St. Louis last week Paul W. Terry, manager of the Missouri Inspection Bureau, and David W. Thomas, superintendent of schedules for the bureau, were put on by the company attorneys. Several exhibits were added to the 30,000 page record.

McKittrick contends present rates are illegal, and that the companies should be compelled to return to the level of rate schedules and coverages that prevailed after the courts sustained the 10% reduction ordered by Superintendent Hyde in 1922. However, Messrs. Terry and Thomas testified that the fire insurance rate level in Missouri declined about 20% between 1922 and 1942. Mr. Terry said that assuming an index of 100 prior to the Hyde reduction, the rate level declined to 88.87 by Nov. 11, 1935, and to 80.4 by Oct. 26, 1942.

Hartford Fire Extra Dividend

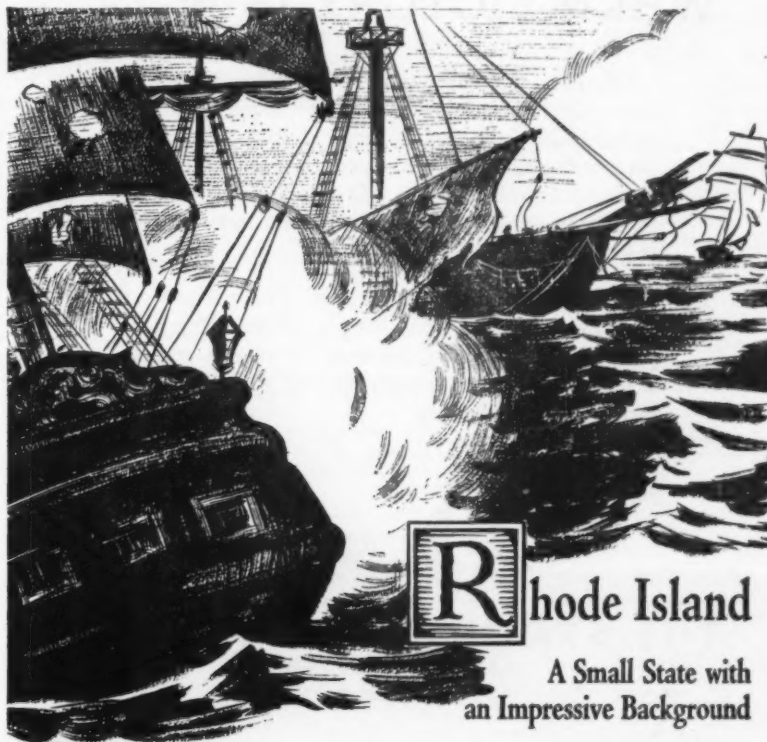
Directors of Hartford Fire voted an extra dividend of 50 cents a share and the regular quarterly dividend of 50 cents, both payable Jan. 3.

Lower Fire Losses in Britain

NEW YORK—The estimated £6,741,000 damage caused by fire in the United Kingdom and Eire the first nine months of this year is lower by £3,379,000 than the total for the same period in 1942, and £650,000 less than the first nine months in 1941.

Charles H. Fischer, 64, consulting fire protection engineer at New York, who for many years was connected with insurance rating organizations, died after an illness of several months. He graduated from Armour Institute of Technology and then went with the Chicago Board. Later he was associated with the Texas Inspection Bureau and then became an engineer for the National Board. He served as American deputy consul at Milan, Italy, and then after four years returned to this country and became superintendent of the engineering department of the Schedule Rating Office of New Jersey. In this consulting work he specialized in petroleum property.

de-camp with the rank and grade of colonel.



In the War of 1812 a Newport man, Oliver Hazard Perry, at the age of twenty-three, was sent to the Canadian border to build a fleet. With it, in 1813, he won the Battle of Lake Erie, the most brilliant of the twelve naval victories of the war. Given the title "The Hero of Lake Erie," which has ever since been his, Perry's flag with its historic message is treasured at Annapolis—his blue sailor jacket at the historical rooms in Providence.

Commanding the fleet sent to defend the Great Lakes against attack from Canada, Perry's success was a remarkable feat of courage and daring. Seeking out the British fleet, superior in guns and manpower, Perry left the badly-damaged Lawrence whose last gun had been silenced, and by way of a small boat succeeded in reaching his next largest ship, the Niagara. Commanding the Niagara to cut through the line, he again bore down upon the enemy. The British flagship lowered its flag in sign of surrender.

Perry then returned to the Lawrence and it was to her ruined deck that the British officers came to surrender to her commander. "We have met the enemy and they are ours," was Perry's dispatch to headquarters!

The deeds of early Rhode Island patriots enshrine themselves in history without the praise we give.

The Rhode Island Insurance Company is proud to bear the name of a State so important in the development of this great nation—so active in contributing to its present-day strength and achievement.

RHODE ISLAND INSURANCE COMPANY

PROVIDENCE • RHODE ISLAND

Progressive in Outlook—Conservative in Management

FIRE • AUTOMOBILE INLAND MARINE



Season's Greetings . . .

In the midst of the turmoil and anxiety of a war torn world, we pause in the true spirit of the Christmastide to remember our friends and say—be of good cheer and stout heart for through the complete victory that assuredly shall bless our just cause "Peace on Earth, Goodwill to Men" will reign once more.

The Manhattan Fire and Marine

99 John Street

New York 7, N. Y.





WHEN VICTORY IS WON

Startling developments in aviation, television, electronics, synthetics, metallurgy and architecture will mean better living for all. Insurance will play a big part in these developments because credit will be required and insurance always goes hand-in-hand with credit.

But Victory must first be won. Every American on the home front should do everything possible to help win the war. We urge you again to continue buying all the War Bonds that you possibly can.



THE SPRINGFIELD GROUP

W. B. CRUTTENDEN, President

SPRINGFIELD FIRE & MARINE INSURANCE COMPANY	SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
SENTINEL FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.

OF FIRE INSURANCE COMPANIES

Use Our Sales Plans to Build Income

The assistance of a qualified fieldman is a valuable asset to any agency. Ask our fieldman to visit you.

New York Underwriters Insurance Company

Under management of
A. & J. H. STODDART

Ninety John Street

New York

COMPANIES

Am. General Boosts Capital to Million

American General stockholders have voted to increase the capital from 75,000 to 100,000 shares, with a \$10 par value. The increase is in the nature of a stock dividend. When the transaction is completed, the company will have \$1,000,000 in capital, and in excess of \$1,000,000 in net surplus.

American General paid its 60th consecutive quarterly dividend this week. This dividend is 25 cents a share, and an additional special dividend of 25 cents was paid at the same time.

Phoenix of Hartford Dividend

Phoenix of Hartford has declared a quarterly dividend of 50 cents and an extra of \$1, the same as was paid a year ago, payable Jan. 3 to stock of record Dec. 15.

Randolph Eide, president of the Ohio Bell Telephone Co., has been elected a director of American National of Columbus, O., succeeding the late R. T. Huggard.

NEW YORK

SULLIVAN HEADS BROKERS

George F. Sullivan was elected president of the General Brokers Association of the Metropolitan District at the annual meeting. Other new officers are: First vice-president, S. N. Schwartz; second vice-president, Alex A. Wagman; third vice-president, A. H. Boardman; fourth vice-president, Samuel Oberman; secretary, Leonard Jacobs; treasurer, Abraham Prusoff.

The executive committee is the same as heretofore: Nathan Greenbaum, chairman; Leonard Jacobs, secretary; J. A. Cohen, Louis Escher, J. F. Nubel, F. I. Ettlinger, Paul Simon, Joseph Wank, and the officers. The editorial and publicity board also remains the same: Leonard Jacobs, Paul Simon and S. N. Schwartz.

BOARD OF TRADE GATHERING

The fourth annual meeting of the insurance section of the New York Board of Trade will be held Dec. 22 at the Drug & Chemical Club. Following election, a reception will be given by the executive committee of which G. R. Michelsen, Hall & Henshaw, is chairman.

W. E. MALLALIEU'S ANNIVERSARY

At a meeting of the executive committee of the National Board in New York City Thursday of last week Chairman C. F. Shallcross of the executive committee called attention to the fact that it was the 43rd anniversary of General Manager W. E. Mallalieu's connection with the organization. He became associated with the National Board in 1900 and since 1910 has been general manager. In fact Chairman Shallcross himself is having a 43rd anniversary this year because in 1900 he arrived in New York City and became manager of the New York department of Royal.

Publish Adjusters Manual

The Adjusters Manual Publishers of 1126 Plymouth building, Minneapolis, have completed an adjusters' manual showing analytical tables, charts and sketches of buildings for the use of an adjuster in settling claims. It is a work of 382 pages and it incorporates a great many tables that should prove helpful to the adjuster.

The Insurance Women of Arizona will hold its annual Christmas luncheon and party Dec. 18 in Phoenix. Hallie H. Perry, Standard agency, is president.

N.F.C. Sends States Rights Message to Congressmen

The National Fraternal Congress over the signature of Foster F. Farrell, secretary and manager, has sent to all Senators and Congressmen a letter pointing out that the N. F. C. at its recent annual convention adopted a states rights resolution. Under that memorial the N. F. C. supports "the continued recognition of the basic principle enunciated in Paul vs. Virginia that insurance is not interstate commerce and is opposed to any federal regulation of insurance, directly or indirectly and urges that any legislation or action by Congress should recognize this principle to the full extent and should so declare." The letter does not specifically mention the pending legislation in Congress to exempt insurance from the federal anti-trust laws.

Assured Coinsurer Under Loss, Not Under Salvage

A subscriber offers the following in connection with the current discussion of expenses to reduce the use and occupancy loss:

"Consider a value of \$1,000 a day with insurance of only \$500 a day. A loss occurs, amounting to \$400 a day for 10 days, or \$4,000. The insurance loss is \$2,000.

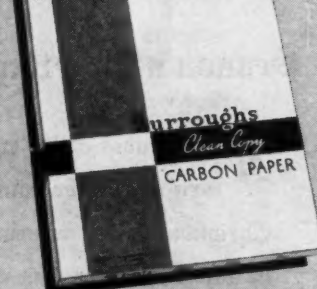
"The adjuster knows of some device that can be rented for \$200 that will reduce the insured's loss to \$300 a day or \$3,000. The insurance loss is then reduced to \$1,500 plus the \$200 rental for \$1,700 total.

"This \$200 rental is not insurable value, but is salvage and the company pays it and thereby saves \$300.

"The forms clearly state that the company shall pay the extra expense which reduces the loss; the insured is coinsurer under the loss, not under the salvage."

Harry L. Gross, assistant secretary of Iowa Mutual Tornado and secretary of the Iowa Association of Mutual Insurance Associations, has been named a member of the Des Moines board of education.

**SAVE 10% TO 40%
IN BUYING QUALITY
CARBON PAPER**



Burroughs Clean-Copy Carbon Paper is furnished in sizes, colors, weights, finishes and grades to meet all usual commercial needs, from "one time" carbons to highest quality carbons for multiple impressions. For best results, standardize on Burroughs. Save money, too, through Burroughs Discount Purchase Plans. For full details, call your local Burroughs office or write Burroughs Adding Machine Company, Detroit 32, Michigan.

Burroughs
SUPPLIES FOR BUSINESS MACHINES

Schauffler Says Attack on Insurance Is Unfair

ST. LOUIS—The fire insurance business is being unfairly attacked by many newspaper editors, columnists, radio commentators and others because its leaders have failed properly to tell the story of what has been done through the years by such organizations as the National Board, H. K. Schauffler, assistant manager and public relations director of the board told some 200 agents and brokers at a luncheon meeting Tuesday. On the monopoly charge, he said the National Board decided 60 years ago it would not set rates or control commissions; that the process of providing proper protection for the many localities throughout the country could be managed from one headquarters. He said no business can dictate to the public; it would be ruined in trying to do so.

Insurance is the best regulated business in the country, Mr. Schauffler said, and has been for 75 years since the U. S. Supreme Court held such regulation should rest with the states. The companies' support of the bills pending in Congress to sustain state regulation has been entirely proper and above board. There is no slush fund and no lobby. The men who run the insurance business still are Americans and have the constitutional right to petition Congress through letters, telegrams or personally.

Associated Reciprocals to Comply with New Law

The advisory committee of the Associated Reciprocal Exchanges has recommended four amendments to the subscribers' agreement so as to conform to the revised New York insurance law. The Warner Reciprocals have also taken similar action as reported in THE NATIONAL UNDERWRITER, Sept. 30. The A.R.E. recommendations have been approved by the New York department. They provide that a subscriber's contingent liability during each annual period shall not exceed in the aggregate 10 times the amount of the annual premium; that each office shall maintain minimum surplus, guaranty surplus and other funds as required by law; that a trustee assumes no personal responsibility under the subscribers' agreement, and that a subscriber agrees to pay on demand any deficiency, lawfully ordered or levied, as provided by law.

The amendments will become effective Dec. 1, 1944. At present the agreement limits the contingent liability only in respect to any one loss.

The minimum surplus requirement is \$250,000 for each exchange and replaces the former guaranty fund of not less than \$200,000. The guaranty surplus which is considered to be a part of stipulated minimum surplus, is a new condition and must be accumulated at the rate of 1% annually until it equals \$250,000. The members of the A.R.E. group are Affiliated Underwriters, Fireproof Sprinklered Underwriters, Individual Underwriters, Metropolitan Inter-Insurers and New York Reciprocal Underwriters.

Get sales training from experts in casualty and property lines. Write National Underwriter.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Dec. 13, 1943

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	137	141
Aetna Fire	10	1.80*	54	56
Aetna Life	10	1.40*	35	36 1/2
Amer. Alliance ..	10	1.20*	21	22 1/2
Amer. Equitable ..	5	1.00	18	19 1/2
Amer. Home	10	...	10 1/2	12
Amer. (N. J.)	2.50	2.60*	14 1/2	15 1/2
Amer. Surety	25	2.50	58	60
Balt.-Amer.	2.50	.40*	6 1/2	7 1/4
Boston	100	21.00	550	575
Camden Fire	5	1.00	22	23
Contl. Cas.	5	1.60*	38 1/2	40 1/2
Contl. N. Y.	2.50	2.00*	45	46 1/2
Fidelity-Phen.	2.50	2.20*	46 1/2	47 1/2
Fire Ass'n.	10	2.50*	62	65
Fireman's (N.J.) ..	5	.40	12	13
Fireman's Fund ..	10	3.00	85	87
Franklin Fire	5	1.40*	25 1/2	27
Glens Falls	5	1.60*	42	44
Globe & Repub.	5	.50	8 1/2	9 1/2
Gt. Amer. Fire	5	1.20*	27	28 1/2
Gt. Amer. Ind.	2	.20	13	15
Hanover Fire	10	1.20	25 1/2	27
Hartford Fire	10	2.60*	94	96
Home (N. Y.)	5	1.60	30	31
Ins. Co. of N. A.	10	3.00*	81	83
Maryland Cas.	1	.50	6 1/2	7
Mass. Bonding	12.50	3.50	73	75
Mer. (N.Y.) Com.	5	2.00*	46	48
Nat. Cas.	10	1.25*	22 1/2	24
Natl. Fire	10	2.00	58	60
Natl. Liberty	2	.40	6 1/2	7 1/2
Natl. Un. Fire	20	5.00*	182	186
New Amst. Cas.	2	1.00	25 1/2	27
New Hamp.	10	1.80*	44	46
North River	2.50	1.00	21	22 1/2
Ohio Cas.	5	.70	20	22
Phoenix, Conn.	10	3.00*	85	87
Preferred Accl.	5	1.00	14	15
Prov. Wash.	10	1.40*	34	36
St. Paul F. & M.	62.50	10.00*	292	300
Security, Conn.	10	1.40	35	37
Sprgfd. F. & M.	25	4.75*	128	132
Standard Accl.	10	2.50	61	63
Travelers	100	16.00	465	475
U. S. F. & G.	2	1.50*	36 1/2	38
U. S. Fire	4	2.00	46	48

*Includes extras.

Phil Hanna's Divergent Stand

While the news columns of the Chicago "Sun" and "PM" of New York, both of which are owned by Marshall Field, are subjecting the insurance industry to some rough treatment and the "Sun" has editorialized against the insurance states rights bill, Phil S. Hanna, financial page writer for the "Sun" is touching upon insurance subjects in a temperate and sympathetic vein. Prior to the time that the Chicago "Sun" opened up with a series of policy stories and editorials siding with the Department of Justice in its fight against the insurance companies, Mr. Hanna wrote a column that endorsed the states rights bill. Monday of this week Mr. Hanna had another column on insurance topics in which he said:

"Again I say let's have a full and complete investigation ex-parte. But let us not have any more TNEC monstrosities where the advocates seemingly were more interested in publicity than correction of evil.

"The question that keeps coming back to me in this affair as in similar attempts to centralize authority in Washington is whether in adding federal to state regulation, everything considered, we shall not merely be adding to the cost of insurance without achieving commensurate gains."

Dr. Valgren Has New Project

WASHINGTON—Research into the situation surrounding organized farm buyer's fire insurance protection is a new subject engaging attention of the bureau of agricultural economics, Department of

Agriculture. Dr. V. N. Valgren is in charge of such work and other work of the department concerning financial aspects of agricultural economics. Dr. Valgren recently transferred to the BAC from the farm finance division of the Farm Credit Administration.

Dr. Valgren says there has been substantial development in recent years in organized farm buyers' fire protection, but he believes the government, the farmers and insurance interests would like to have definite facts and figures. He is asking state fire marshals and other sources of information for data on the subject.

Cincinnati in Class 2

CINCINNATI—T. W. Sellers, manager Ohio Inspection Bureau, has notified city officials here that Cincinnati has been changed to Class 2. Reclassification resulted from a drive started by L. G. Schraffenberger, former safety director; City Manager Sherrill and Fire Chief Houston, actively aided by local agents in this area. In November inspectors of the Ohio Inspection Bureau and National Board visited the city and checked the changes made in the fire department since last March.

They considered not only all improvements actually completed, but also fire equipment now on order, or temporarily

Cites Life Insurance Stand on States Rights

Over the signature of James E. Ruth, executive vice-president, the National Association of Life Underwriters has sent out a message to presidents of state and local associations, citing the recent resolutions of the American Life Convention, Life Presidents Association and N. A. L. U. favoring preservation of the position of state insurance supervision. The A. L. C. resolution was stated recently upon instruction of its executive committee, the Life Presidents Association adopted a resolution at its recent annual meeting at New York and the N. A. L. U. at its convention in 1941 adopted a strong memorial on the subject.

The communication does not refer specifically to the present states' rights insurance bills in Congress.

unobtainable because of priority restrictions. Local papers have estimated amount of premium reduction at varying large figures. Insurance men expect the change to be much less than stated in press reports.

For information on individual or group sales training in casualty, surety lines, write National Underwriter.



"IF YOU WANT TO EARN EXTRA COMMISSIONS"

Here's the booklet you need to tell you just who, among your own clients, are prospects for more business... more business in a kind of insurance many clients of fire and casualty agents are buying today. "Buyers of Life Insurance — A Guide to Your Market" contains numerous suggestions as to where to find these buyers.

A glance through this booklet will suggest to you a life life insurance prospect for every half dozen clients on your books. Why not show your clients that you're interested in helping solve all their insurance problems?

For years the Connecticut Mutual Life has worked closely with fire and casualty agents all over the country. We and our general agents know how to be of practical assistance in helping you profit, with the least trouble on your part, from life insurance selling. Send for this valuable booklet, now!

Connecticut Mutual Life

INSURANCE COMPANY

Connecticut Mutual Life Insurance Co., Hartford, Conn.

Please send me, free and without obligation, your 24-page booklet, "Buyers of Life Insurance — A Guide to Your Market".



Name _____ (please print)

Street _____

Town or City _____ State _____

NU-10

1794

150TH ANNIVERSARY

1944

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA

308 WALNUT STREET, PHILADELPHIA 6, PA.

EDITORIAL COMMENT

Carrying the Facts to the People

The address by Vice-president Esmond Ewing of Travelers Fire before the Insurance Advertising Conference undoubtedly marked a turn in the policy of the fire insurance industry so far as the public relations program is concerned. He is chairman of the public relations committee of the National Board. Mr. Ewing stated very clearly that fire insurance has been forced to fish or cut bait by the indictment at Atlanta and the results following, the chief factor being the appeal of the decision of the U. S. district court at Atlanta which held that insurance is not commerce and then the bills introduced in Congress to exempt insurance from operation under the federal anti trust laws, merely to preserve the status quo.

Mr. Ewing stated that so many misstatements have been made regarding the position of the insurance companies and the situation in which they find themselves that it would be necessary to take pains to clear the public mind of erroneous information. There seems to

have been a malicious intent to smear fire insurance and to attack it in an underhanded way. People at large have not understood the position of the companies. They do not appreciate the fact that insurance has never been subject to federal anti-trust laws although it is answerable to such laws of the 48 states. The passage of the bills in Congress therefore would not in any way change the situation which has existed. Attempts have been made to prove that through these bills which have been introduced insurance is endeavoring to create a monopoly, which Mr. Ewing averred was ridiculous.

The point was made that insurance interests must now unite to educate their own people, keep them better informed and through them and through other means to reach the public so that insurance may be placed in a fair and proper light. It is asking no favors, no exemptions from anything it has not enjoyed before. It is not seeking any help. It only asks justice.

Postwar Mechanization of Insurance

Revelations by J. F. Hickey of International Business Machines of some of the new developments in calculating and tabulating machinery that will be available after the war furnish an interesting basis for speculation on how far the mechanization trend may go. Just recently Mutual Life announced a new basis for compensating agents which would not be practicable if it were not for punch-card machines. Mutual Life's plan aims at setting up an exact evaluation of each agent's business in terms of quality as well as quantity and in order to apply this basis with exact equity to all it has to be expressed in a very complicated mathematical formula. The machines make the application of this formula a simple matter.

A few years ago Prudential changed its system of issuing weekly premium life insurance policies so as to make them very much like ordinary insurance. It would not have been possible to do this without automatic tabulating and calculating equipment.

One of the most interesting developments described by Mr. Hickey in his recent talk before the Insurance Accountants Association was the "mark-sensing" principle, already used by some insurance companies. Possible applications of this idea seem almost endless, for it means that you can fill in data on a punch-card by using nothing more

than a graphite pencil. The graphite mark conducts electricity so that when the card goes through a machine the data indicated by the marks are punched into the card. Or a new card can be punched automatically, with whatever changes are indicated by the marks.

The United States government has led the way in the use of tabulating machinery for writing checks. Each government check is a punched card and when these come back after being paid it is only necessary to run them through a machine to get the desired records. One difficulty, which will probably diminish as people get used to these checks, is that any mutilation, such as by putting it on spike, will affect the result shown by the tabulating machine. As this type of check comes into more general use there should be a saving in time not only to issuers of checks but to those handling them along the way.

All indications seem to point to a bright future for the machines particularly in the insurance business, where so large a share of expenses is for routine types of operations. Perhaps some day data on risks will be tabulated on cards which have only to be run through machines which will automatically rate them and then reject, accept, or pick them out for special executive consideration. Premium checks will come in on punch cards and will be credited to the

proper sources by machinery without anyone even having to do more than dump them into a hopper. Claim information will come in on cards and be automatically transferred to claim checks if found to be correct. Monthly reports from agencies and branch offices will come in by telegraph, automatically

transmitted (the army is already using this system). It may not be too many years before the drudgery is entirely eliminated from the insurance business and the machines will do all but the most original and creative types of thinking. We might almost credit the machines with human intelligence.

PERSONAL SIDE OF THE BUSINESS

Before retiring from office Gov. Keen Johnson of Kentucky commissioned **Dwight R. Peel** of Benton an aide-de-camp with the rank and grade of colonel.

The presentation was made in the executive offices at Frankfort. Mr. Peel has served as supervisor of fire prevention and rates and assistant director of the division of insurance of Kentucky for the past two years.

R. I. Read, who was for 20 years Cook county manager of Crum & Foster and more recently general agent at Chicago for fire and casualty companies, now is manager of the Hacienda del sol Ranch Hotel, near Tucson, Ariz. Mr. Read recently went to Tucson to engage in the insurance and real estate business, but is now devoting all his energies to the hotel, which is a dude ranch type hostelry.

Ed. P. Kiesler, Halstead-Kiesler agency, West Plains, Mo., has been elected president of the chamber of commerce there.

W. H. Lininger of Evanston, Ill., retired western co-manager of Springfield F. & M., will leave Dec. 21 for Oklahoma City to spend a few days with his son, H. K. Lininger, state agent of the Springfield, and from there will go to Tucson, Ariz., stopping at the Pioneer Hotel where he and Mrs. Lininger will remain during the winter.

Frank C. Colridge observed his 14th year as executive secretary of the California Association of Insurance Agents Dec. 10. During these years the association has grown to be the largest in membership and has contributed many constructive movements to the business. In all of these plans and developments Mr. Colridge played a leading rôle.

Charles C. Hannah, president of the Fireman's Fund group, has just been elected first vice-president of the San Francisco chamber of commerce, a director of the San Francisco Community Chest and a director of the California Insurance Federation.

J. L. Myers, resident adjuster of Western Adjustment at Cambridge, O., has been promoted to first lieutenant and squadron commander of the Civil Air Patrol. Lt. Myers was the first man in southeastern Ohio to enlist in the C.A.P. and prior to his promotion was executive officer of the Cambridge squadron.

DEATHS

Phillip H. Hicks, 66, founder of the Hicks, Brady & Henry agency, Nashville, Tenn., died there following a heart attack.

Clyde C. Cross, 54, president and treasurer of Auer, Inc., Milwaukee agency, was found dead in his apartment. Death was due to natural causes.

Mr. Cross went to Milwaukee from Memphis in 1914 and became associated with the Auer agency. He became president in 1930. Burial was in Memphis.

Frank H. Goddard, 88, local agent in Worcester, Mass., for more than 50 years, died at his home there.

Charles W. Harvey, 75, El Dorado, Kan., local agent since 1904 and pioneer resident, died there. He had been active in politics in his earlier years.

J. Frank Lefebvre, 74, local agent in Green Bay, Wis., since 1893, died after an illness of three months.

William Hodges of Dallas, who represented the business department of the "Spectator" in several southern and southwestern states, died this week at the Baylor Hospital in Dallas, following a brain operation.

F. J. Alber, 83, former Des Moines local agent, died there following a long illness.

Frank E. Foster, 77, local agent at Iowa Falls, Ia., is dead.

Douglas P. Beighle, 40, local agent at Deer Lodge, Mont., died following a brief illness.

Lee Wright, 68, local agent of Vevay, Ind., died there.

Fred D. Taylor, 46, local agent of Cynthiana, Ky., died at a Lexington, Ky., hospital.

IN U. S. WAR SERVICE

Lewis H. Wallace, representative in the Missouri legislature and assistant treasurer of the Anderson-Hopkins agency of St. Joseph, Mo., has been commissioned a lieutenant (j.g.) in the navy and he is taking his indoctrination course at the training school at the University of Arizona at Tucson. Leo V. Anderson of the agency is his father-in-law.

Maj. William Levit of the San Francisco insurance legal firm of Long & Levit is now in Naples as chief legal officer of the AMG. His duties consist of reestablishing the civil courts of Naples province and seeing that they function properly.

Edward T. Miazza, former branch manager of the Fire Companies Adjustment Bureau at New Orleans, who enlisted in April, 1942, and was assigned to the eighth air corps as second lieutenant, has been promoted to major and is now overseas attached to the eighth bombardiers. A brother, **Eugene H. Miazza**, formerly attached to the Shreveport office of the F.C.A.B., is chief petty officer with the Seabees in the Southwest Pacific. They are brothers of J. F. Miazza, assistant general manager, southwestern department, F.C.A.B., Dallas.

Henry G. Ruemmele, claim supervisor of American Surety in Minneapolis



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704. EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editor. BUSINESS DEPT.: John F. Wohlgenuth, President. Howard J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer.

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—560 Trust Co. of Ga. Bldg., Tel. Walnut 5867. E. E. Hess, Resident Mgr.

BOSTON 16, MASS.—944 Park Square Bldg., Tel. Hubbard 8696. R. E. Richman, Vice-Pres.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, W. A. Scanlon, and A. B. Cutler, Associate Managers. J. W. Atkinson, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner

Thorp, Jr., and C. C. Crocker, Vice-Presidents. G. C. Roeding, Associate Mgr.

DALLAS 1, TEXAS—526 Wilson Bldg., Tel. Riverside 3383. F. B. Humphrey, Resident Mgr.

DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS 2, MINN.—500 Northwestern Bank Bldg. Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—123 William St., Tel. Beekman 3-3955. Editorial Dept.—R. B. Mitchell, Eastern Editor; George E. Wohlgenuth, Assistant Editor; Dorothy B. Paul, Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Mgr.

SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.

for the past three years, has joined the army.

Ivan Anton, secretary of the Des Moines Association of Insurance Agents, has been sworn in as a lieutenant (j. g.) in the navy and will report Dec. 15 at Tucson, Ariz. His agency will be continued by Grant Rystad, who has been associated with Mr. Anton for nine years.

Kenneth Ross, secretary of the Arkansas City (Kan.) Insurance Board, who is being inducted into the army soon gave a farewell party for a number of his company field men. Mrs. Ross will continue the agency.

Joseph J. Johnston, fire underwriter of the Byrne, Byrne & Hahn agency, Chicago, has been inducted into the army and reports at Fort Sheridan, Ill., Dec. 23.

Charles Zieman, examiner in the western department of Hanover, reported for army duty Monday.

Thomas R. Keegan, marine underwriter for the Cook county department of Aetna Fire, has been inducted in the army and will report for service Jan. 3.

C. H. Kiehlbauch, special agent of America Fore in Oklahoma, has reported at Fort Sill for military duty. He had been in the Oklahoma field two years.

L. W. Zonsius, Jr., son of one of the firm members of Conkling, Price & Webb, Chicago, visited his family there. He is being transferred from the infantry replacement training center at Camp Fannin, Tex., to Louisiana State University to study internal combustion motors. He is 18 years old and studied for a year in Northwestern Technological Institute.

E. J. Brink, Jr., son of E. J. Brink, casualty underwriter of Glens Falls group in Chicago, has been promoted to captain of infantry stationed in Camp Fannin, Tex. He entered service in March, 1941. Capt. Brink was previously in the national guard. He was wounded in the foot at Guadalcanal, where he spent 25 days continuously in jungle fighting. Capt. Brink formerly was connected with Conkling, Price & Webb in Chicago.

John S. Watkins, formerly a member of a leading insurance agency at Grand

Rapids, Mich., now a first lieutenant in the army, has been stationed in the Pacific theater for the past year and a half. He is the son of Charles G. Watkins, member of the Grand Rapids Insurance Agency. **Ray L. Van Kuiken**, also a member of this agency, has recently been commissioned lieutenant (j. g.) in the navy, receiving indoctrination at Princeton University.

Col. George Dutton of Portland, Ore., formerly special agent of Phoenix of Hartford, is reported back from active duty in Australia and at present under observation at Hammon General Hospital, Modesto, Cal.

Company Action, Attitude on Bills

(CONTINUED FROM PAGE 4)

lack of understanding of the business; a minor part of it has been deliberately unfair and malicious, but not unexpected in view of its source, he said.

The companies after considerable thought and discussion deliberately chose not to engage in any widespread publicity campaign in behalf of the legislation, Mr. Ewing said. They mailed one communication to editors of newspapers, magazines and radio, and to agents and brokers. This was a comprehensive statement as to why the fire companies support the legislation and what they believe will happen if state regulation of the business is nullified. He said that this is all that has been done in the way of disseminating publicity about the bills in Congress.

Fire companies avoided even the risk of creating the impression that they were campaigning for the legislation, he said. Yet in some quarters they are being accused of operating a propaganda machine plus a tremendous insurance lobby in Congress. Both charges are false, he declared.

He can see no objection to informing the public through the release to the press of openly sponsored facts and opinions. If that is propaganda, he asserted, then there has been too little of it. There can be no possible objection to a person making his views known to congressmen, he said. If there are hundreds of

thousands of people in the insurance business who want to protect it when they see it is in danger, Mr. Ewing said he could see no objection to their doing so. Governors and supervising insurance officials of the states have a perfect right to voice their support of the proposed legislation and demand that the control of the business be left to the state. Assured are entitled to state that they are satisfied with state regulation. If this is lobbying and if there is something sinister about it, Mr. Ewing said he fails to understand the meaning of representative government.

Newspapers Strongly in Favor

On the basis of a careful review of newspaper and magazine clippings that have appeared all over the country, he said that the news presentation and editorial comment on the legislative situation have been heavily in favor of the position taken by the companies that the legislation is desirable and that it involves issues even more important to the country than to the insurance business. This is all the more remarkable, he said, when it is considered how little companies have done and how formidable and articulate the opposition has been. He agrees, however, with the position of one newspaper writer who said that favorable relationships with the public cannot be promoted on the spur of the moment but can be produced only by public relations policies followed out for many years.

Misinformation and lack of understanding in the present case are principally due to misrepresentation of the insurance business in the past, he declared. The business has failed to build up a backlog of good will, understanding and respect which would render even more ineffective the hostility which some are attempting to stir up against the business.

Criminal Character of Indictment

The fact that the Justice Department sought and obtained a criminal indictment against companies and men who were following the law of the land and who were following a procedure long recognized by the Supreme Court and the states, reveals a situation of grave concern not only to those engaged in insurance but to every other citizen of the country. Obeying the law as dictated

by the highest authorities has placed the business in criminal jeopardy, he said.

He pointed out that the states do regulate and that fire rates have declined steadily over the years.

If there is a lesson to be learned from the present situation, he added, it is that henceforth every effort must be expended to make known more of the facts about the business and its importance to the community so that when and if in courts or Congress the question is raised, the general public, which is the final arbiter in such matters, will understand. In this task employees of the companies should play an important part, Mr. Ewing said. But he wondered, do they understand efforts made by the companies to advance the general welfare, the need of various reserves for protection of policyholders, the reason for expenses of acquiring business, underwriting it and managing it, etc.? Workers in the business should know more about it so that they can spread the word. This holds true of stockholders and of agents as well, he said. There should be a better understanding of the common interest which insurance has in other businesses, and the mistake should not be made of assuming that the nature of insurance is understood by every business man. Insurance must tell its story and see that the public understands it, he declared.

WE INSURE...

FIRE
★
AUTOMOBILE
★
INLAND MARINE
★
OCEAN MARINE
★
SPRINKLER LEAKAGE
★
TORNADO
★
RAIN

Eagle Star
Insurance Company Ltd.
90 John Street, New York

MAKE LIFE PAY YOU RICH REWARDS

You can make LIFE bring you generous rewards in addition to the income you're now making from your present lines! Columbus Mutual's Packaged Plans make LIFE so simple, clear-cut and easy to handle that you can sell it quickly — right along with your other work — to the same people you have been selling other types of insurance!

Packaged Plans are just what the name suggests . . . simplified insurance programs, each carefully planned to include a group of benefits clients want most . . . each presented in a concise, clear-cut, visual "package." You simply help prospects select the Packaged Plan that most adequately meets his needs. You don't have to carry a bulky rate book. You don't need extensive special training in life insurance selling methods. You don't spend long hours trying to explain the intricacies of life insurance to each new prospect! Packaged Plans make these things unnecessary. See for yourself — without delay. Write for a sample sales portfolio of Columbus Mutual's Packaged Plans today — or clip the coupon and mail it now!

D. E. BALL, President

The COLUMBUS MUTUAL
LIFE INSURANCE COMPANY
COLUMBUS OHIO

Please send me a sample portfolio of your Packaged Plans, with information on Columbus Mutual's liberal agents' contract and other helpful material.

NAME

ADDRESS

CITY

STATE



Three New Sales Opportunities for *The Man with the Plan*



BEAUTY SHOP MALPRACTICE LIABILITY INSURANCE

There are several thousand Beauty Shops in America—some of them right in your own territory—and *every one of them needs Beauty Shop Malpractice Liability Insurance*. Not all Beauty Shops have the necessary insurance coverages. The two casualty companies of The Employers' Group are two of the very few companies actively engaged in this business. This means that Employers' Group agents and brokers have an excellent opportunity to get their share of this business at a substantial and established rate of commission. It's a great opportunity for Employers' Group representatives . . . not only to sell the malpractice coverages but also to sell premises liability, fire, burglary, plate glass, and all the personal coverages beauty shop owners should have.

PROFESSIONAL MALPRACTICE LIABILITY INSURANCE

Another "new" is The Employers' Professional Malpractice Liability Policy . . . a contract that can and should be sold easily to physicians, surgeons, dentists, druggists and hospitals. Think of the huge number of prospects, in a *very important class of insurance buyers*, that this new policy adds to your list of potential customers. In no way does this insurance duplicate the General Liability Policy. It is an added attraction to the complete protection plan that Employers' Group agents can offer to desirable risks.



BROADCASTERS' LIABILITY INSURANCE

Again pioneering in Liability Insurance, The Employers' Group offers protection for producers of radio programs and for radio stations . . . protection against the results of law suits for unintentional infringement upon copyrights or ideas, or for unintentional slander, or for statement of facts which are true.

The new program form of Broadcasters' Liability covers not only producers of radio programs, but also any employee, partner, executive officer or director (while acting within the scope of his duties as such). The new station form of Broadcasters' Liability covers these and in addition covers any independent contractor who performs services for the insured on any program in connection with which the named insured acts as producer (but only while acting within the scope of his duties as such).



WRITE

to the Agency and Production Department for sample policies, application forms and complete information on these three new lines. Employers' Group specialists are ready and able to help you develop the rich markets for quick sales that these new coverages hit. Act now.

THE EMPLOYERS' GROUP MAN IS
The Man with the Plan

THE EMPLOYERS' GROUP, 1 LIBERTY SQUARE, BOSTON 7

THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD. • THE EMPLOYERS' FIRE INSURANCE CO. • AMERICAN EMPLOYERS' INSURANCE CO.



Company Research Is Discussed at "Ad" Conference

**Murphy, Mays Give Plans
and Ideas: Broughton,
Hardesty on Card**

NEW YORK—The one-day meeting of the Insurance Advertising Conference at the Hotel Roosevelt here was notable in two respects. The morning speakers, Averell Broughton, public relations counsel of the National Association of Insurance Agents, Ray Murphy, assistant manager of the Association of Casualty & Surety Executives, and Director M. W. Mays of the Business Development Office, all had a message to deliver and the luncheon speaker, Vice-president Esmond Ewing, Travelers Fire, gave a clear and convincing picture of the task that is before the insurance industry today in educating its own people as well as the public in the role that insurance plays in the economic world. Messrs. Murphy and Mays outlined casualty and fire company plans for research.

Harry G. Helm, Glens Falls, president of the conference, presided. He expressed the desire of the advertising managers to interest more executives in their work and said that the mid-winter meeting of the I. A. C. had been designed to learn more about public relations and how to bring the true story of insurance home to the public. Ralph W. Smiley, Royal group, chairman of the merchandising and research committee, stated that in his opinion field men have the best opportunity to learn what local agents all over the country are doing to promote public relations. He suggested that they be requested to send in stories to their home offices about the activities of agents in this direction.

Schauffler Program Chairman

Program Chairman H. K. Schauffler, National Board, introduced the speakers.

Mr. Murphy outlined the duties of the research department soon to be established by his association. It will collect statistics for periodical reports to member companies on public, governmental and business trends relating to casualty and surety underwriting; examine important criticisms of the business, past, present and future, and establish accurate answers where criticism seems unjust or recommend remedies where criticism is sound; prepare studies on postwar economic and social conditions affecting or likely to affect the insurance business, and cooperate with other departments of the association in organizing period summaries in such fields as workmen's compensation, taxation, government regulation, accident prevention, and similar subjects with which the departments deal.

Examples of Studies Given

Mr. Murphy gave examples of the type of studies the research department will be able to conduct, such as a scientific examination of compensation insurance as well as the operations of monopolistic state funds and their possible extension to other states, examination of the tax problems, analysis of such plans as the Beveridge report, National Resources Planning Board report and Social Security Board recommendations and their effect upon the

Calls Meeting on Ill. Auto Equity Rating Jan. 11

A meeting of all casualty companies writing automobile fleet business in Illinois has been called by Insurance Director Jones for the morning of Jan. 11 in the Chicago Board auditorium. Mr. Jones has addressed the companies, stating that the meeting is "to discuss steps necessary for the filing of rating schedules and to eliminate any misunderstandings that now exist regarding such a plan."

Some weeks ago the department sent out a letter stating that equity rates must be discontinued Dec. 1 of this year and that the companies must file a formula for uniform experience rating of fleet risks. However, Mr. Jones postponed the effective date of that order until March 1.

E. C. Stone Urges Preservation of Free Opportunity

CINCINNATI—Edward C. Stone, U. S. manager of Employers Liability, was guest of honor at a luncheon attended by 35 business leaders here. Addressing the group, Mr. Stone commented on the brilliant production record of American industry in overcoming in three years the advantage Germany had built up in nine years. This accomplishment he attributed to freedom of opportunity in this country.

"Preservation of free opportunity in America should rank with the four freedoms of the Atlantic Charter," he said.

Cautioned Against Abuses

The right of Americans to profit by intelligence, industry and enterprise is the foundation of the progress of this country, Mr. Stone emphasized. He cautioned business men to guard against abuses of the system.

Mr. Stone said collective bargaining is compatible with freedom of opportunity and cited statements of William Green, president A. F. of L., and Philip Murray of the C. I. O. Many of the abuses of organized labor are the result of sudden and rapid growth, Mr. Stone believes. He compares the condition with abuses which developed during the period of rapid expansion of business and finance in the United States. Among the guests were Hulbert C. Taft, publisher Cincinnati "Times-Star"; W. E. Wiley, publisher "Enquirer"; H. S. Leyman, chairman, and T. J. Davis, president First National Bank, and H. C. Blackwell, president Cincinnati Gas & Electric Company.

casualty and surety business; an analysis of accident prevention programs and an examination of claims problems. He said that this is only a start but that it will lead to new and improved approaches to old subjects and that new avenues will open up from time to time.

Mays Offers Suggestions

Mr. Mays in his talk said that the need for research departments in the insurance business comes from the fact that past efforts have lacked continuity. He said that not enough facts are known about the business and pointed out, for example, that no one knows exactly how many people are employed in the insurance industry as a whole. A research program in his opinion will not only strengthen the business, but will help to devise a more salable product and while the public will naturally benefit, the insurance business itself will reap the greatest harvest. Mr. Mays said that if and when a central research

Alexander Foster Named Navy Surety Bond Specialist

WASHINGTON—Alexander Foster, manager fidelity and surety bond department of the Association of Casualty & Surety Executives, on Thursday, becomes fidelity and surety bond specialist of the Navy Department insurance division, Lieut. S. F. Procopio, division chief, stated.



Alex. Foster

The Navy has had no such specialist since last June, Lieut. Procopio said. "We want Mr. Foster to help us out with our bond problems," he declared.

Lieut. Procopio is studying to determine whether and what loose ends need to be tied up in navy insurance work, but has nothing further to report on reorganization of his office at present.

TO RETURN TO ASSOCIATION

NEW YORK—When Mr. Foster's work with the government has ended he will return as manager of the association's fidelity and surety department.

During his absence the work of the department will be administered by D. Q. Cohen, under the general supervision of H. J. Drake, counsel and head of the law department. Mr. Cohen has been an attorney in the law department for many years and for the last two years has been assistant to Mr. Foster.

Mr. Foster, before going to the association in 1940, was assistant general counsel and vice-president of National Surety, and was with that company for seven years. Before that he was counsel to the then superintendent of insurance, G. S. Van Schaick. When President Roosevelt mobilized industry on a war basis even before Pearl Harbor the government sought a streamlining of surety and fidelity procedures and it was Mr. Foster who handled most of the negotiations with the government and this led to the Navy's requesting that he be loaned on a full time basis.

Surety Bond Producers to Meet in Chicago Jan. 24

The National Association of Surety Bond Producers will hold its annual meeting and election Jan. 24 in the Palmer House, Chicago. President Robert W. Thompson, Dallas, has named C. W. Olson, Chicago, to handle hotel reservations and convention arrangements. Present day conditions and problems of the surety business will be discussed, and the new workmen's compensation rating plan will come under review. No formal entertainment is planned.

An executive session will be held in Chicago Jan. 23 of officers and directors.

organization is established, it should not replace the research departments of the individual companies, but that they should complement each other. He said it must not be undertaken merely as a gesture but must have the complete support of the executives to make it successful.

The afternoon speakers were Vernon Myers and Harold Cook of "Look" magazine. Mr. Myers described a new technique called the "one way mirror" devised to study the reading habits of the public. The process involves concealed observation posts in public lounging and reading rooms from which ob-

Employer's Purchase of Individual A. & H. Policy Salary Hike

**Group Cover, Including
Dependents Benefits, O.K.,
Washington Rules**

WASHINGTON — An important mimeograph dated Dec. 8 has been issued by Commissioner of Internal Revenue R. E. Hannegan clarifying a number of points in relation to the so-called 5% rule, the answers to which have been anxiously sought for months by insurance people and assured. Possibly the most important and at the same time the most disappointing feature of the mimeograph from the standpoint of insurance agents is that payment of premiums upon individual health, accident or hospitalization insurance by an employer for the benefit of an employee will be deemed to be a salary increase in contravention of the act of Oct. 2, 1942, as amended, unless prior approval therefor is obtained.

Many agents had assumed that employers could buy personal accident and health insurance for employees, so long as premiums did not exceed 5% of the employee's salary, without having such payment treated as salary increase. It is believed that a good many policies were placed on this understanding, although most of the accident and health companies have been very conservative and have warned agents that the government had not categorically given the green light to such arrangements and advised that specific approval be obtained from Washington on each case.

Dependents' Group Cover O. K.

At the same time Commissioner Hannegan states that group hospitalization and surgical policies which provide for the payment of hospital fees and surgical fees in the case of hospital confinement of employees, are considered to be health insurance within the purview of section 102.8, and premiums thereon may be paid by an employer for the benefit of his employees. Premiums paid by employers on group hospitalization insurance or group health and accident insurance for hospitalization and medical care of employees even though a portion thereof may be allocated for the purchase of such insurance for persons dependent upon the employees, do not constitute salary increases.

It had been taken for granted that group cover did not constitute salary increase but there was a question in the minds of insurance people whether it is permissible to include dependents' coverage. Earlier this fall the War Labor Board issued a ruling that dependents coverage could be included in group policies and that position is confirmed by the new mimeograph.

N. J. Casualty Election

NEWARK—At a meeting of the Casualty Underwriters Association of New Jersey, the following officers were elected: President, C. L. Templeman, Royal Indemnity; vice-president, E. E. Ehlers, Travelers; secretary, T. E. Madams, Glens Falls Indemnity; treasurer, John A. Rogers, F. & C.

servers can watch people and determine how thoroughly they look through a magazine placed there for their enter-

(CONTINUED ON PAGE 22)

Late Fire News

Fire Losses Up
31% in November,
19% for 11 Months

NEW YORK—Fire losses as estimated by the National Board totaled \$31,647,000 in November, an increase of 31% above November, 1942. The total for 11 months is \$332,519,000, an increase of more than 19% compared with the \$278,376,000 total in 11 months of 1942. Below are given monthly figures for three years, with 11-month totals:

	1941	1942	1943
Jan.	\$ 26,470,000	\$ 35,565,000	\$ 27,733,000
Feb.	26,102,000	30,819,000	33,175,000
March	31,471,000	30,505,000	29,214,000
April	29,330,000	27,960,000	34,241,000
May	25,637,000	23,233,000	29,297,000
June	24,943,000	22,410,000	26,854,000
July	23,698,000	21,000,000	25,016,000
Aug.	24,122,000	19,680,000	29,193,000
Sept.	24,668,000	20,442,000	26,488,000
Oct.	30,833,000	22,621,000	29,661,000
Nov.	23,822,000	24,140,000	31,647,000

Total \$291,096,000 \$278,350,000 \$332,519,000

James P. Parker
Feted in Boston

BOSTON—A 25-year service anniversary dinner was tendered to James P. Parker of O'Neil & Parker, New England managers of U. S. F. & G., by the Surety Underwriters Association of Massachusetts. Mr. Parker served as first president of the association.

Commissioner Harrington commended Mr. Parker as an outstanding surety man. The commissioner emphasized the possibilities for informing the public on the value of surety lines.

Martin W. Lewis, president Towner Rating Bureau, told how Mr. Parker had assisted in the organization of the bureau and how his advice is sought when difficult problems arise.

E. Vernon Roth, secretary Surety Association of America, New York, declared there is nothing in fiction as strange as experiences of surety men and seconded Commissioner Harrington's suggestion for greater publicity for the surety man's experience.

John W. Downs, counsel Insurance Federation of Massachusetts, gave the outline of Mr. Parker's career. He was born in Hong Kong, graduated from Harvard in 1896 and was American champion in foils in 1902. Mr. Parker has been chairman of the Insurance Council of Boston since 1933 and chairman of the regional legislative committee for the Association of Casualty & Surety Executives since 1938. He was made a captain in the navy at the end of the first World War and also became major general in the state militia after serving as adjutant general.

Among those present were President E. Asbury Davis of U. S. F. & G.; Clark B. Bristol, assistant secretary Century Indemnity; Gay Gleason, chief counsel Employers Liability, and Samuel Perry, counsel of Massachusetts Bonding.

Collins Graham, Boit, Dalton & Church, a former association president, was chairman of the committee in charge.

E.U.A. Holds Annual Meeting

NEW YORK—H. C. Conick of Royal-Liverpool, the president, and all other officers were reelected at the annual meeting of the Eastern Underwriters Association except that P. J. Berry, Security of New Haven, was elected a vice-president to take the place of C. S. Kremer, Hartford Fire, who asked to be relieved of the responsibility.

Peschel Joins Md. Casualty

NEWARK—Joseph Peschel, who has been a special agent for the Loyalty group for many years, will become a special agent for Maryland Casualty for northern New Jersey.

W. A. ALEXANDER & CO. CHANGE



WADE FETZER
Chairman



WADE FETZER, JR.
President

Roy L. Davis Entertains
C. W. Fairchild and
Maynard Garrison

Roy L. Davis, manager of the Chicago office of the Association of Casualty & Surety Executives, gave a luncheon last Friday in his city so that a number of leading insurance men might meet C. W. Fairchild, general manager, who was on his way to Auburn, Cal., to spend a number of weeks with his family. Mr. Fairchild built a home there. The other guest of honor was Maynard Garrison, the new California insurance commissioner, who attended the meeting of the National Association of Insurance Commissioners in New York City and was en route home. Mr. Garrison left a fine impression on everyone with whom he came in contact. He bids fair to become one of the leading state officials of the country.

Seek Lower Lloyds Surcharge Rate

A number of London Lloyds representatives who are interested in selling insurance to cover the penalty surcharge above standard premium in connection with retrospective rating plans are seeking to induce Lloyds to reduce the new rate schedule for such business which Lloyds made effective Dec. 1 and which was reported in THE NATIONAL UNDERWRITER last week. These Lloyds' representatives feel that although an increase in rates is justified the new schedule represents too sharp an increase. Some of the representatives are quite hopeful that Lloyds will consent to a modification.

Tie-in with National Advertising

SEATTLE—A tie-in with the current national advertising of Employers group has been announced by Stuart G. Thompson-Elwell Co., general agents for Washington. Photographs appearing in monthly advertisements of the group will be used in advertisements in 15 leading daily newspapers in the 13 principal cities of the state along with copy to be adapted to local conditions, according to Stuart G. Thompson, president. Wherever possible an attempt will be made to quote the specific premium for the coverage featured.

Vestal Lemmon, actuary of the casualty department of the Texas insurance board, who suffered an attack of virus pneumonia while attending the commissioners' meeting in New York, is reported by Casualty Commissioner Gibbs as having recovered sufficiently to be on his way home.

Radio Advertising Trial
of American Automobile
Succeeds in Ohio

CINCINNATI—Experimenting with radio advertising, the Ohio department of American Automobile conducted a 13 week automobile insurance advertising campaign over Ohio stations. Seventy-eight different episodes were selected from the claim files to be dramatized by a professional script writer. Stations in Cincinnati, Columbus, Youngstown and Toledo were used. The broadcasts resulted in a steady flow of inquiries, a large portion of which were turned into sales.

The episodes used were woven around provisions of the Ohio financial responsibility law. In Indiana and Michigan, a driver must file when he has an accident, while in Ohio a penalty applies when the driver is unable to respond to a judgment. The new Ohio law differed from the previous Ohio law also in the number of years the penalized driver is prevented from driving.

A satisfactory type of prospect was secured by the broadcast. One prospect unearthed by the broadcast was a business man having three trucks and two pleasure cars who carried no insurance. It was easy to sell him after he heard the broadcast. Another agent following up one of the returns called at the home of a prospect who was being visited by relatives. Four policies were placed with the prospect and three of his relatives on one call in the evening.

In one group of 136 inquiries, 96 sales resulted. The episodes selected were authentic. The script writer digressed from the facts only to show what would have happened, had the drivers been brought to court instead of being taken care of by insurance.

Resident Vice-president Cameron Sanders is well satisfied with the experiment.

Vault Theft in Kansas City

KANSAS CITY—Personally owned securities valued at \$35,000 disappeared from a record and supply storage vault and its interior safe at the office of Employers Reinsurance. The owner of the securities, Selden L. Stebbins, secretary of Employers, discovered the theft. Company officials said the vault stands open all day, and suggested it might have been entered by a sneak thief seeking anything of value that he might pick up.

Listed with the police as missing, in addition to \$50 in cash, were 500 shares of Employers Reinsurance stock, war bonds amounting to \$2,500, 25 shares of stock in another corporation and a note for \$5,000.

Philips Resigns as
Executives Group
Publicity Director

NEW YORK—Harold K. Philips, publicity director of the Association of Casualty & Surety Executives, has resigned to take over the active editorship and management of the newspaper and printing business in High Bridge, N. J., which he purchased about a year ago.

Mr. Philips has had a wide experience in the newspaper and publicity field. He served on the Clarksburg, W. Va. "Exponent" and later became legislative correspondent of the Baltimore "American." He was night city editor of the Philadelphia "Press" when he joined the Navy in the former war. He saw active duty at sea and was later in charge of all naval press censorship stations on the Pacific Coast.

After the war Mr. Philips joined the New York staff of the Associated Press and then went to the Washington "Evening Star" as a special writer. He directed the publicity which resulted in the establishment of the Shenandoah National Park in Virginia. In 1927 he joined the Washington staff of the New York "Herald Tribune" and in that capacity he covered the White House during the Coolidge and Hoover administrations.

Mr. Philips entered the publicity field in 1932 when he became Washington press representative for the Motion Pictures Producers and Distributors of America, Inc., and the American Legion.

The name of his newspaper is the High Bridge "Gazette." It is the only paper published in North Hunterdon County, N. J.

The association has not appointed a successor to Mr. Philips as yet.

Mexican Insurer in Texas

The first Mexican company to become licensed in Texas under the new law providing for the licensing of such companies to write automobile insurance on cars of U. S. tourists in Mexico is La Provincial Compania General de Seguros Sociedad Anonima. The Texas law provides that insurance written in such Mexican company shall be by licensed recording agents.

E. H. O'Connor in Lansing

LANSING, MICH.—E. H. O'Connor, executive director of the Insurance Economics Society, assailed the Wagner-Murray-Dingell bill in a talk to business men here sponsored by the Ingham county committee of the society, of which Emil Lambertson is chairman. W. O. Hildebrand, secretary-manager of the Michigan Association of Insurance Agents, introduced Mr. O'Connor.

Lester Beck Visits Chicago

Lester F. Beck, the newly elected executive vice-president of Pennsylvania Casualty, was in Chicago Monday and Tuesday of this week, getting acquainted with the Chicago operations of his company and conferring with Howard E. Mankin, president of the National Management Agency which has been general agent for Pennsylvania Casualty, as to plans for the future. Mr. Beck just recently retired as chief of the insurance division of the Navy to re-enter private insurance ranks. Pennsylvania Casualty starts off in its new period of development, with a very small home office staff and Mr. Beck will proceed to establish a well rounded organization. He intends to have Pennsylvania Casualty entered in a few additional states. Branches may be established at a number of points. At present the only branch office is in Pittsburgh.

Mr. Beck's parents reside in Chicago. He attended the annual party of the Chicago Bar Association Monday evening.

Fetzer, Sr., Chairman of Chicago Agency, W. A. Alexander & Co.

Wade Fetzer, Jr., Has Been Chosen President of the Organization

Announcement is made this week by W. A. Alexander & Co. of Chicago that Wade Fetzer, president of the organization since 1927 and who became connected with the agency in 1897, is made chairman and his son, Wade Fetzer, Jr., vice-president, succeeds him in the presidency. Announcement was made to the executive committee, consisting of the officials of the agency, and then to the managerial committee consisting of the department heads.

The senior Fetzer is now in Florida and will remain there during the winter. He will spend most of his summer time in Michigan. Thereafter he will act as consultant, laying aside many of the onerous duties that he has assumed heretofore. He has been one of the hardest working men in the business, one who not only has been eminent in his own organization but conspicuous in insurance and civic activities. He was president of the old Casualty Information Clearing House of Chicago. He became president of Fidelity & Casualty in 1930, being now a director. He is a director of Fidelity-Phenix Fire, LaSalle National Bank of Chicago, First National Bank of Hinsdale. He is a trustee of Beloit, (Wis.) College and Northwestern University. He has participated in many civic activities in Hinsdale and Chicago. He served as president of the National Association of Casualty & Surety Agents, being one of the founders of that body. He has been continuously a member of the executive and conference committees of that organization.

Made a Pronounced Success

Mr. Fetzer is outstanding in many ways. He has always been a profound thinker, a very successful salesman having the finest ideals in his chosen field. He is nationally known for his high standards for insurance operations. He landed in Chicago in 1897 and went with W. A. Alexander & Co., becoming cashier. Being very much sales-minded Mr. Fetzer started soliciting accident and later health business and was known as one of the two greatest producers of that line in the city. Later he became very much interested in the casualty coverages and specialized on workmen's compensation insurance, having some of the largest accounts in Chicago. He was particularly known for his service giving qualities along with insurance work. He had the utmost confidence of his customers of W. A. Alexander & Co.

Wade Fetzer, Jr.'s Career

Wade Fetzer, Jr., inherits many of the characteristics of his illustrious father. He has not been content to be merely the son of Wade Fetzer. He has made his own mark in the insurance world and dug it deeply. For a man of his age he has accomplished much along constructive lines not only with W. A. Alexander & Co. but the National Association of Insurance Agents and the Illinois Association of Insurance Agents. After graduating from Northwestern University in 1925 he became a life insurance salesman with W. A. Alexander & Co., then after carrying the rate book for some time he was made a supervisor and subsequently associate manager with John H. Sherman, head of

(CONTINUED ON PAGE 32)

Insurance's Attitude on Wagner Bill; A. & H. Protection Analyzed

The attitude of insurance men on the Wagner-Murray-Dingell social security bill and the extent of accident and health insurance protection afforded by private insurance are analyzed by Katharine G. Clark in the lead article in the current issue of "Medical Care," Baltimore.

In her conclusion Miss Clark holds that "private insurance reaches only a small percentage of the population and offers only limited protection. This protection is confined to cash benefits to the policyholder and, except for a few small classes of policies, does not include dependents. The costs of medical care are hardly touched, and insurance is largely against wage loss in the event of temporary disability. Group insurance, which gives the best type of coverage, cannot meet the problems of many classes of working people, and even in respect to employees working in industrial groups, does not allow for changes in place of work. Because the amount of the premium is varied according to the expected rate of claims within each group, such insurance is most expensive for those whose need is greatest. Whereas the life insurance companies whose business is only secondarily concerned with accident and health insurance assume a liberal attitude towards social security, a number of insurance companies whose business is mainly in the field of health insurance and cash disability benefits are supporting an active campaign against government action in that field."

Cites Conrod Report

The report prepared for the Health & Accident Underwriters Conference by Stuart F. Conrod, actuary Loyal Protective Life, in 1941 was used as a basis for her analysis by Miss Clark. It estimated that there were 30,354,969 accident and health policies in force not including 11,000,000 Blue Cross hospital plan policies now in force. The commercial, non-cancellable and limited business which represents 41% of all policies "serve chiefly a fraction of the people among the upper-income groups," she said, emphasizing that her main concern is the wage-earner class which is protected by monthly and weekly premium policies representing 18% of the total and by group policies accounting for 40.8%.

Compensates for Wage Loss

Emphasizing that all benefits are in cash rather than service, she concludes that private insurance primarily attempts to compensate for wage loss, rather than for the expense of medical care. In her opinion another important limitation is that no coverage is available for dependents except in group hospitalization and surgical fee policies.

Coverage for permanent total disability is limited, she points out. "Private health and accident insurance is primarily devoted to coverage for temporary disability, and is characterized by the variety and number of restricted policies."

Recognizes Value of Group

Favorable recognition is given group insurance by Miss Clark, although she objects to the loss of coverage in event the employee changes his place of work. Benefits are of short duration, she holds, and as each group must be self-supporting any special risks cannot be merged in a general distribution as in the wide population coverage of social insurance.

Miss Clark estimates that physicians' services and hospitalization expenditures amount to \$2,500,000,000 a year while the wage loss is about one billion. In 1941, according to the Conrod report, accident and health benefits totaled \$160,000,000 or less than 5% of

the \$3,500,000,000 medical and wage loss.

"There is an average return of 50 cents on the premium dollar for the accident and health field as a whole. This does not seem like a very efficient investment. The Social Security Board estimates a 90% return on the dollar for nationally administered insurance," she states. Benefits under individual industrial insurance in 1941 ranged from 21 to 37% of the premium dollar while group averaged about 75%, according to Miss Clark.

After quoting statements by President Leroy A. Lincoln of Metropolitan Life and J. G. Parker, general manager Imperial Life of Canada, Miss Clark concludes that there is considerable difference of opinion between life and casualty company officials. "Most of the objections of the life insurance company officials to date are voiced against the specific provisions or the timeliness of the various proposed amendments rather than against the philosophy of social insurance as such. Group insurance comprises only a small part of the aggregate business of the large life insurance companies, and their spokesmen do not wish to appear before the public in the role of 'selfish interests.' On the other hand, certain smaller companies and those whose business is largely made up of health and accident insurance, have been vehemently opposed to any such legislation as the Wagner bill."

Brand Talk Cited

The militant talk of E. J. Brand, Federal Life, before the Health & Accident Underwriters Conference, in which he expressed opposition to federal insurance, is quoted as well as the statement of objectives of the Insurance Economics Society.

Miss Clark commends the "constructive proposals" of Harold R. Gordon, managing director of the Insurance Economics Society and executive secretary of the Health & Accident Underwriters Conference, who suggested a social security program be drafted which can be underwritten by private insurance, and Wesley T. Hammer, Commercial Casualty, who urged that private insurance devise an effective private insurance plan.

Sutton Mass. Bonding Chicago Casualty Head

Robert H. Sutton has been appointed superintendent of the casualty department for Massachusetts Bonding at Chicago succeeding John Crowe, who has resigned. Mr. Sutton has been with the office about four years doing field and underwriting work. He has been in the business many years, having started as a local agent at Des Moines.

Hourigan Albany President

New officers of the Albany Casualty & Surety Club are F. B. Hourigan, Hooper-Holmes Bureau, president; G. H. O'Connor, Massachusetts Bonding, vice-president; R. M. Kinne, Jr., Travelers, treasurer, and R. L. Eddy, Hartford Accident, secretary. New trustees are J. V. Addy, Travelers, and George Fennell, Fidelity & Deposit.

Cote Citizens Casualty Secretary

Citizens Casualty has appointed F. L. Cote secretary. He started with the Employers group in 1922 and subsequently was with Standard Accident at the home office. He has been statistician and coordinator of Massachusetts Bonding since 1929.

Mr. Cote is a member of the National Office Management Association and the Association of Casualty & Surety Accountants & Statisticians.

Elimination of Bonus Overtime Debated in N. Y.

Yount Sees Postwar Strain on Insurers; Train Opposes Proposal

NEW YORK—The postwar deflation period with lowered payrolls and heavier compensation losses will be an "infinitely greater strain" on the insurance business than the depression years when the companies were forced to seek special relief in the form of the contingency loading factor in the rates, according to H. W. Yount, vice-president of Liberty Mutual, who spoke at the New York department's hearing on eliminating bonus overtime payrolls in figuring workmen's compensation premiums.

Mr. Yount said that the proposal made by the New York Compensation Insurance Rating Board in line with that adopted in most other states, while not a panacea, would help a great deal in cushioning the postwar drop in premiums, though it would undoubtedly still be necessary to seek special relief in the deflationary period. He pointed out that the problem is one of getting enough premium for all insured to pay the aggregate of losses and that the inclusion of overtime payrolls at a higher rate than straight time results in too high a rate for the risk with a large overtime payroll and too low a rate for the risk with little or no overtime.

Will Correct Experience Classification

Elimination of bonus overtime, he said, will help correct inadequacies in the rate level, provide a more correct classification of experience, and more accurate individual risk rates. He conceded that it would result in a higher cost to industries with average wages below \$37.50 a week but said the step would be in the best interest of everyone concerned. As to the practical difficulties of separating bonus overtime out of total payrolls, he said that Liberty Mutual had its auditors make test checks and it was found that most industries keep their record on a basis which would permit easy segregation. Some had so little overtime that they would not bother to keep it separately but with others overtime payrolls amounted to as much as 35 or 40% of total payrolls. He said that the plan had been adopted in all the large states except New York and no trouble had been encountered.

H. D. Sayer, general manager of the New York Compensation Rating Board, presented the case for the proposed change. He said that while it had not in the past been deemed practicable to make any separation because of auditing problems the question has been intensively agitated on account of the very large amount of overtime in connection with the war effort and furthermore, since the coming of social security and the wages and hours law, the obligation on employers to keep records and payrolls has resulted in making it practicable to separate the overtime from straight time. Where it is not possible to determine how much of the overtime pay is due to payment at a rate in excess of the straight time rate it will be assumed that overtime pay is time and a half.

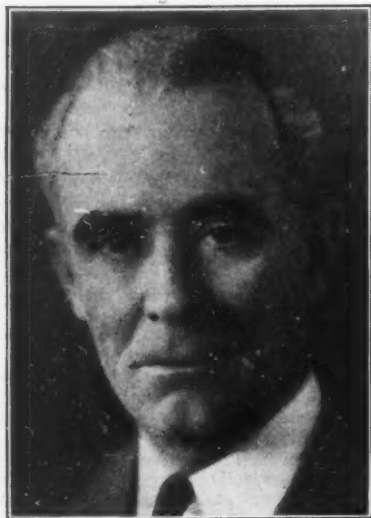
W. F. Roeber, general manager National Council on Compensation Insurance, mentioned that that organization's governing committee has authorized a special committee to look into not only the bonus overtime problem arising out

(CONTINUED ON PAGE 30)

ACCIDENT AND HEALTH

J. A. Keelan Heads Time, Milwaukee

John A. Keelan has been elected president of Time of Milwaukee, to succeed the late Charles G. Traphagen. Mr. Keelan has been with Time since 1910, when he started as an agent and later became field supervisor. In 1913 he became manager of the claim department, and in 1921 was made assistant



JOHN A. KEELAN

secretary and agency manager. Mr. Keelan was elected executive vice-president and secretary in 1938. N. P. Traphagen is vice-president and treasurer; Arthur Giljohann, secretary; A. Brady, E. G. Malone and R. L. Pad-dock, assistant secretaries.

Railroad Ticket Line at New Peak

The railroad ticket accident insurance business this year promises to exceed in premium volume that of any previous year. The increase is estimated at about 35% over 1942. This is due, of course, to the great increase in travel by bus and rail and also to the fact that travelers were made accident-conscious by the numerous railroad accidents this year, the most prominent being those of the Pennsylvania, Delaware, Lackawanna & Western and New York Central. The companies in this field are Travelers and Aetna Casualty. The premiums this year may run about \$2½ million.

Miller Elected President of Kansas City Association

At the annual meeting of the Kansas City Association of Accident & Health Underwriters John E. Miller, Columbian National Life, was elected president; Carl Damon, Postal Life & Casualty, vice-president, and William A. Young, Connecticut General, secretary-treasurer.

Four New Directors

The four new directors are L. Tuller Bayless, Pacific Mutual, and K. W. Stockton, Business Men's Assurance, for three years; C. L. Hobbs, Washington National, two years; C. V. Cochran, General American, and Ralph Metcalf, Massachusetts Bonding, one year. Lysle Kindig of Lysle Kindig & Associates, retiring president, is board chairman.

F. Glenn Packwood, manager of Massachusetts Bonding, spoke on "Making The Presentation." Mr. Packwood will give the same talk at the winter meeting of the National association in Des Moines.

Fowler to Pacific Mutual Home Office

C. Herbert Fowler, general agent of Monarch Life at Peoria, Ill., will leave Dec. 31 for Los Angeles to take charge of the commercial accident and health sales department in Pacific Mutual Life's home office.

H. H. Ackerman, an agent of Monarch Life in Springfield, Ill., has been named to succeed Mr. Fowler as general agent in Peoria and will take over Jan. 1. He has been with Monarch seven years.

Mr. Fowler has been with Monarch 10 years. He was transferred to Peoria a year ago from New Hampshire. As general agent in Peoria he has supervised activities in 45 counties. He has been active in life association work for 20 years and also has served as secretary-treasurer of the Peoria Accident & Health Association. He founded the first accident and health association in New Hampshire.

Succeeding Mr. Fowler as secretary-treasurer of the Peoria Accident & Health Association is C. C. Inman, vice-president Illinois Mutual Casualty, who has served as assistant secretary-treasurer.

Flu Epidemic Producing Few Claims; Hospital Situation Is Interesting

The "influenza" epidemic over the country apparently has not resulted in any appreciable increase in claims under health or hospitalization policies. The malady is of a mild variety and on the average does not put a person out of commission for more than a few days. Malingering has practically disappeared with high wages and the urgency of the jobs of most people so that the "flu" has not been used as an excuse for people to file claims.

The hospitals are extremely crowded, which has tended to discourage hospitalization, except for serious cases. This is holding down claims.

The heavy hospital occupancy is due partly to the large increase in recent years in the amount of hospitalization protection carried and partly to the fact that doctors are having to put more patients in the hospital because of lack of competent help in their offices. While there are naturally more hospitalization claims, the ratio of claims to premiums is not out of line, underwriters say. Many hospitals and doctors are cutting time for holding patients, so that the average hospital bill is less. Insurers and hospitalization groups are being asked to pay for some "hospitalization" while the patient is at home if a nurse or extra care is required. Where it is a bonafide situation the companies are paying some of the extra expenses on the ground that ordinarily they would have been incurred at the hospital. However, companies are avoiding adoption of this practice as a general policy.

ADDS TO PERSONNEL PROBLEM

NEW YORK—The manpower problem in New York offices has been aggravated at a busy time of the year by the epidemic of colds and mild influenza cases which is sweeping the country. The outbreak began to be noticed last week and some offices now have from 10% to 15% or more of their personnel home ill. The absences range up to a week or more. The larger number of older employees with less resistance to illness may be a factor.

Nunamaker Columbus Speaker

H. H. Nunamaker, Columbian National Life, Cleveland, newly-elected secretary of the Ohio Association of Accident and Health Underwriters, addressed the Columbus association at its meeting Monday, giving his talk, "Flat

on His Back," which made such a hit at the National association's annual meeting in Pittsburgh.

Trade Union A. & H. Unit Is Established in Pa.

The Trade Union Accident & Health Adjusters Association has opened offices in the Lincoln-Liberty building, Philadelphia. This company has been authorized by National Casualty to handle claims and to supervise the servicing of a group policy just written for American Federation of Hosiery Workers covering 25,000 members. All members of this federation who were working on Nov. 29 are covered.

The entire premium is to be paid by the employer. The plan was originated by Trade Union Accident & Health Association, recently established in New York.

T. R. Keucher is to be manager for the company in Pennsylvania. He was manager of the accident and health department of Manufacturers Casualty, and has had 20 years' experience in the accident and health field.

The officers of Trade Union Accident & Health Adjusters Association are: Alfred G. Baker Lewis, President; John F. Lewis and T. R. Keucher, vice-presidents; Philip G. Fitz, secretary.

E. E. Bailey Is Promoted

Great American Reserve of Dallas has elected Earle E. Bailey secretary and treasurer.

The Chicago Claim Association held its annual Christmas party Tuesday evening. There were movies and other entertainment.

COMPENSATION

Dineen Adjourns Hearing on Stock "Comp" Plan

NEW YORK—Because of Superintendent Dineen's doubts that he, as superintendent, is legally empowered to consider a compensation rate filing made by a group of companies other than through the New York Compensation Insurance Rating Board, the New York department's hearing Wednesday on the stock company four-option plan was adjourned until such time as its proponents succeed in convincing Mr. Dineen that he would not be acting outside the scope of his powers in acting on a separate filing. Consequently there was no discussion of the merits of the proposed plan, which was filed by the stock companies after the board's governing committee refused to approve it.

Mr. Dineen brought in a new angle to the entire situation when he said he would hold a hearing on the entire subject of unfair discrimination in the present rating plan. After citing the statutory provision which states that rates shall not discriminate unfairly between risks involving the same hazards and expense elements he said he was conscious of the fact that this is a legislative mandate on the superintendent. He mentioned the graded expense feature of the proposed plan.

"However," he continued, "I must confess to you that I am somewhat troubled whether the rating plan as it now exists constitutes an unfair discrimination and for that reason may be regarded as unreasonable."

The existing rating plan in New York State provides for graded expense factors on all risks producing \$1,000 or more in annual premium. Mr. Dineen said that while he would pay respectful attention to the decisions of his predecessors he did not regard himself as being bound by such decisions.

"I am going to be in duty bound to have a hearing where that subject will

be reexplored and at which people who are interested will be entitled to speak their piece," he said.

About 80 executives of stock and mutual companies and organizations were on hand. With an eye to possible judicial review of the entire matter Mr. Dineen requested that all speakers testify under oath.

Even in the event that he is legally empowered to do so Mr. Dineen indicated he would be loath to interfere with the usual process of having all compensation rates filed via the board. He pointed out that if stock companies could file a four-option plan independently the mutuals might come along with one with eight variants.

Tenn. Rates Cut 17% Plus Waiver for Overtime

NASHVILLE—A 17% overall reduction in Tennessee compensation rates will go into effect Jan. 1. The overtime waiver rule which also becomes effective will result in a further reduction of premiums, estimated as much as 22% for many employers. The announcement was made following a conference by Commissioner McCormack with the National Council on Compensation Insurance in New York. The additional "overtime waiver" reduction is conditioned on keeping of books and records by the employer on each individual employee, following the plan adopted in New York. The reduction will amount to approximately \$1,250,000 on the basis of \$5,524,645 in total premiums for 1942 and estimated \$6,000,000 for 1943.

When the 1941 legislature increased maximum medical benefits from \$100 to \$500, weekly benefits from \$5 to \$7 and maximum weekly indemnity from \$16 to \$18 per week, rates were increased 18.3% with an experience credit of 10.6%, or a net increase of 7.7%. Last July the companies filed a proposal to continue the same rate, but Governor Cooper and Commissioner McCormack opposed it.

Insurers Can Write Extra and Farm Cover in N. D.

Attorney-general Strutz of North Dakota has given Commissioner Erickson the opinion that it is proper for a casualty company doing business in the state to write workmen's compensation either where an employer wants to provide additional protection or where the employment is exempt from the state act, as farming, even though the state operates a monopolistic compensation fund.

Additional benefits above those prescribed by the state compensation bureau are in addition to but cannot be taken in lieu of state coverage, the attorney-general holds.

The farmer is exempt from the operation of the law, but is not expressly excluded, so that he can voluntarily come under the compensation act or buy private coverage the opinion states. In the latter case his protection and the benefits would be determined by the contract with the insurer.

An employer seldom desires to provide additional protection over what is required by state law, according to underwriters, but an instance or two of this has been reported in recent months, and nowadays employers desire to furnish employees every protection possible.

The ruling with respect to farmers is significant because of the recent introduction of a farm liability policy by companies in the National Bureau of Casualty & Surety Underwriters. In Ohio, the industrial commission, which administers the state's monopolistic compensation fund, ruled that the private insurers cannot issue coverage where there are three or more employees, but can do so where there are one or two.

"PREFERRED"...

AS DEFINED BY THE DICTIONARY:

"Set above or before in estimation or favor; regarded or honored before another; held in greater favor; liked better."

THE record of "PREFERRED" performance for 58 years has made this a living definition.

Since 1885 The Preferred Accident Insurance Company has defended its policyholders against loss. Through good times, wars and depressions—it has always lived up to its slogan of "PROMPT PAYING PREFERRED"

Prompt settlement of claims has made the "Preferred" the preferred company of an ever increasing number

of policyholders and has cemented the mutually profitable relationship between the Company, its Agents and Brokers—a large majority of whom have been "Preferred Producers" for a long period of years.

You, too, should place your business with "PROMPT PAYING PREFERRED"

*The Preferred
Accident Insurance Company
of New York*

80 MAIDEN LANE, NEW YORK

Edwin B. Ackerman, President

Automobile • Accident • Burglary • Plate Glass • Liability • Compensation

— Branch Offices —

Boston • Buffalo • Chicago • Los Angeles • Philadelphia • Pittsburgh • San Francisco • Newark

CHANGES IN CASUALTY FIELD

Chicago Agency Named by Western National

Baur, Christiansen & Valentine, Chicago agency, has been appointed principal office in Illinois by Western National Indemnity of the Fireman's Fund group. This company formerly was Occidental Indemnity, its title having been changed Oct. 1. The agency includes Howard C. Baur, Stanton C. Christiansen and Andrew L. Valentine, all experienced insurance men.

Mr. Baur has been in the business at Chicago for 19 years, having started with John I. Naghten & Co. being a member of the brokerage firm of Baur & Coffey, then president of the Stange Agency for six years. He formed H. C. Baur & Co. general agency which he ran for three years and pooled with Mr. Christiansen in Baur & Christiansen which later took in Mr. Valentine. Mr. Christiansen conducted a real estate and insurance agency in Chicago for 10 years. Mr. Valentine has been in insurance at Chicago for 10 years, starting with U. S. F. & G. in the bond department. In 1936 he became district supervisor. He studied at Chicago Kent College of Law, graduating in 1941, and is a member of the Illinois bar. Later he was with the Fireman's Fund western department in Chicago as a special agent before going with Baur & Christiansen.

Bradley to Mass. Bonding; Assistant Vice-president

Francis G. Bradley, formerly superintendent of the contract bond department and assistant secretary of Standard Accident, has resigned to go with Massachusetts Bonding as assistant vice-president in charge of the contract bond department at the home office.

Mr. Bradley joined Standard Accident in 1927 and was with the company until the recent change.

A graduate of the University of Minnesota in civil engineering, before entering surety underwriting he served as field engineer for the Associated General Contractors of North Carolina.

Brink Reenters Business with Glens Falls

E. J. Brink, one of the well known casualty underwriters of Chicago, after being out of the business for 10 years now is associated with the western department of the Glens Falls group as casualty underwriter. For the last 10 years he has been employed by Brinks Express Co. of Chicago in an important capacity.

Mr. Brink was in insurance work from 1908 to 1932, starting with Conkling, Price & Webb, Chicago, as casualty underwriter. After 10 years he went to New York City with Travelers as burglary and plate glass underwriter. After a year he became special agent of National Surety in Chicago, then chief casualty underwriter of Bartholomay-Darling & Co., now Bartholomay-Clarkson. He joined Standard Accident as burglary and plate glass manager, and after six years went with Central West Casualty to open its burglary department in Detroit. Then he organized the burglary department of New Century Casualty, and later went with Manager Scofield of Detroit Fidelity and Lloyds Casualty of N. Y. as assistant manager. He is past secretary of the Burglary Underwriters Club of Chicago.

Sims to Indemnity of N.A.

Ralph G. Sims has been appointed claims superintendent of Indemnity of

North America in Richmond. He succeeds Clifford Whiteford, who has gone into the navy. A lawyer by profession, Mr. Sims had been adjusting claims for companies in Atlanta for 22 years. He handled claims for Maryland Casualty in Georgia and South Carolina and for Ocean Accident and Columbia Casualty in Georgia and seven other southern states.

Elswick Cincinnati Claim Head

CINCINNATI—Theo R. Elswick has been named head of the claim department here for American Automobile. He was formerly here as assistant claim manager. Then he went to the home office, working in the claim department for three years.

Fahy to Employers Reinsurance

John T. Fahy has resigned as treasurer of the R. B. Jones & Sons agency, Kansas City, to join the home office staff of Employers Reinsurance. Mr. Fahy is president of the Kansas City chapter of the National Association of Cost Accountants.

ASSOCIATIONS

Malpractice Liability Is Topic

LOS ANGELES—Lasher Gallagher, insurance attorney, addressed the Casualty Insurance Adjusters Association on "Liability of Insurance Companies for the Malpractice of Their Doctors."

He said the sections of the labor code relating to liability of carriers and employers in compensation cases do not apply to the cases where the doctors are bona fide independent contractors. However, a corporation, compensation insurance carrier or otherwise, is liable for any negligence on the part of doctors employed by it. He said there is no basis for the contention that the insurance

carrier is the employer of a man in the hospital for treatment.

Want Medical Cover Extended

LOS ANGELES—The Casualty Insurance Association of Southern California at a meeting here recommended that medical reimbursement coverage be provided on drive-other-car policies.

At the next meeting members will bring as their guests automobile underwriters and a subcommittee will be appointed from that group to confer with the association's automobile committee on rate recommendations that shall be made.

Seattle Adjusters Plan Party

The Casualty Adjusters Association of Seattle will hold its Christmas party Dec. 17. Brenton Stark, radioman third class in the navy, who was editor of the Colville "Examiner" before entering the service, spoke Dec. 3 on his experiences in the South Pacific and Aleutians.

PERSONALS

G. A. L'Estrange, vice-president and agency director of Wisconsin National Life, Oshkosh, Wis., has been elected president of the Oshkosh Apostolate, Catholic social service organization.

Bud Schleicher, 1st lieutenant, and Lindsay A. Masterson, 2nd lieutenant, Company A, First Infantry Ohio State Guard, are attending the general officers school at Fort Knox. They were selected by the commanding officer of the fifth security district in a group of 70 officers for special training. Mr. Masterson is agency superintendent and Mr. Schleicher is field man with the Ohio department of American Automobile at Cincinnati.

For the eighth time, Benjamin Rush, Jr., vice-president of Indemnity of



REINSURANCE

CASUALTY

FIDELITY

SURETY

EMPLOYERS REINSURANCE CORPORATION

J. B. ROBERTSON . . . PRESIDENT

HOME OFFICE
KANSAS CITY

NEW YORK
CHICAGO
SAN FRANCISCO
LOS ANGELES

North America, has made a donation to the American Red Cross blood bank and thus became a member of the Red Cross Gallon Club. Mr. Rush is a director of the southeastern chapter of American Red Cross and has one son in an infantry training camp in Tennessee. A brother, Capt. Alexander Rush is in the army medical corps overseas, and another brother, Lieut. R. Stockton Rush, formerly agency superintendent, is serving overseas with the navy. Benjamin Rush, Jr., served with the 28th division in France in the last war. A member of the Rush family has served in every U. S. war since the Revolution, beginning with Dr. Benjamin Rush, signer of the Declaration of Independence, who was attached to the surgeon-general's staff under Washington.

Henry M. Schonning, 35, adjuster for Lumbermen's Mutual Casualty, died suddenly at his home in Auburn, Mass. He was active in the Worcester County Claim Adjusters Association, of this city.

Vote to Freeze SS Tax

WASHINGTON—The Senate finance committee has adopted the Vandenberg amendment to freeze social security taxes at 1% Jan. 1, 1944.

SURETY

Many Banks Are Improving Cover

Surety companies and agents have been very successful in inducing banks to increase or broaden their blanket bond cover. In connection with the recent action of the Towner Rating Bureau in doubling the earned premium credits under the BBB experience rating plan, it was provided that any bank that increases or broadens its cover after Nov. 1, may immediately receive the return premium which is coming to it under the experience rating plan from Nov. 1 to the next renewal date. If the coverage is not so improved then the bank must wait until the renewal date to get the return premium.

Companies and agents have been appraising the bankers of this provision and a very large proportion of the insured banks have decided to increase their coverage at this time. In some cases the amount of protection has been very greatly increased and in addition the banks have received cash refunds, since the amount of the return premium ex-

ceeded the amount necessary to buy the additional protection. The companies have not engaged in mass circularization of banks since the circumstances surrounding each risk are different and the cases have to be approached on an individual basis.

Exclude War Loan Accounts

NEW YORK—The Towner Rating Bureau has ruled that balances in war loan accounts shall not be included in determining the total deposits of a bank for the forgery premium under bankers blanket bonds. Banks selling war bonds usually place the proceeds in a war loan account, on which calls are made by federal reserve banks.

Tribute to members in the service was paid at the annual Christmas party of the Surety Association of Minnesota in Minneapolis. The next meeting will be Jan. 11.

Chicago Branch to Move

The Ohio Casualty branch office in Chicago will move Jan. 1 to 533 Insurance Exchange, where much larger quarters have been taken extending along much of the Jackson boulevard side of the building.

COMPANIES

Pacific Employers Capital \$1,000,000

Capital of Pacific Employers has been increased from \$500,000 to \$1,000,000. This has been effected partially by the transfer of surplus to capital and the sale of additional stock.

Fireman's Fund Indemnity Extra

Fireman's Fund Indemnity has declared an extra dividend of 60 cents a share payable Jan. 15 to stockholders of record Dec. 31.

F. & D. '43 Dividends \$6

Fidelity & Deposit has declared an extra dividend of \$1 a share payable Dec. 30 to stock of record Dec. 15. That makes the total payment for the year \$6, the same amount as was paid last year.

Dividend to Creditors of 1.2%

An additional dividend of 1.2% is being paid this week to creditors of the old National Surety. This makes the total distribution 59.2% on allowed claims. There may be a very small final distribution before the estate is terminated.

Security Mutual Casualty of Chicago has been admitted to Washington. J. B. Bennett, 312 Joseph Vance building, Seattle, is state general agent.

Ritter Speaks in Reading

Harry E. Ritter, Jr., General Accident, Philadelphia, eastern Pennsylvania chairman of the Insurance Economics Society, speaking before the Reading Kiwanis Club, pointed out some of the economic pitfalls into which an expanded system of social security might lead.

"When we talk about social security, do we mean what the people need or what the reformers think they need?" he asked. "It is argued that if the people have social security they will be more thrifty than ever before because the government is going to deduct the money from their pay at the source, and no questions asked. Why should people be tough and fight for their own good if the uncle with the large purse and big smile has ready cash for every calamity?"

Harold C. Pennicke, comptroller of Massachusetts Protective, addressed the Worcester County chapter of the National Office Management Association on "Office Organization and Training Program—Training of Supervisors and Employees." He has served as director, treasurer, vice-president and secretary of the national association.

A NAME MENTIONED WHEREVER THE STABILITY OF INSURANCE IS DISCUSSED

Established 1897

Continental
CASUALTY COMPANY
CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL ASSURANCE COMPANY

EXPERIENCED CASUALTY CLAIM ADJUSTER

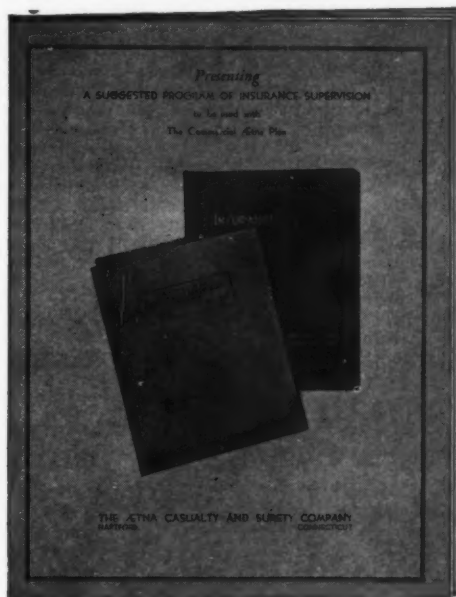
Wanted for South Carolina with headquarters in Columbia. Permanent position. Give qualifications and salary required. Address T-63, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED — SPECIAL AGENT

Independent stock casualty company specializing in automobile insurance, has opening for two men in Illinois and Indiana. Good salary to men who can produce. Address T-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY EXECUTIVE

Over 20 years experience in all casualty, surety, accident & health coverages—well qualified for Branch Manager, Executive Special Agent. Large following in the mid-west territory. Immediate volume of business available. Prefer to locate in Ohio. Highest credentials. Reply Box T-69, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.



***"This shows you how to
present a program
of agency service"***

"When you deliver a Commercial Aetna Plan, Bill, your prospect is invariably impressed with the appearance of the Visible Record and the importance of your recommendations. But sometimes, Bill, he DOESN'T ACT!

"That's when you've got to show some sales ability. That's when you've got to prove that he NEEDS a qualified agent to constantly supervise his insurance and that YOU are the man for the job.

"In this booklet, Bill, the Aetna shows you how to present a program of agency service — how to outline, point by point, the services which a particular risk needs and which you as the agent are willing to provide if awarded supervision of the insurance. It's a PRACTICAL book, Bill — one that contains many ideas that you can use. Call the Aetna office today and let them tell you more about it."

AETNA CASUALTY AND SURETY COMPANY

AFFILIATED WITH AETNA LIFE INSURANCE COMPANY

AUTOMOBILE INSURANCE COMPANY

HARTFORD



STANDARD FIRE INSURANCE COMPANY

CONNECTICUT

Fetzer, Sr., Chairman of Alexander & Co.

(CONTINUED FROM PAGE 25)

the department. He took his C.L.U. degree in life insurance in 1928.

He then shifted to general administrative work becoming assistant to the president and office manager. He was chosen vice-president of the agency in 1936. It was at the suggestion of the leading men in the agency that he be pushed forward so that he might be in line of succession to the presidency. His keen and penetrating ability, his broad-mindedness and his comprehensive view of insurance appealed to his own organization. Having cut his eye teeth as a salesman in the life insurance end he became very much salesminded and that faculty developed as the years went by. When he became vice-president he expanded the sales policy of the organization. He took up the study of advertising and worked out plans for publicizing the office and its service. He showed how the facilities could be of help to the salesmen. He saw the need of coordinating and integrating all the departments of the agency so that it should function as a whole and one department assist another. He thus was able to develop a well rounded sales

organization as well as a splendid administrative corps.

He became very much interested in the educational features of insurance realizing the need for more scientific knowledge of insurance so that it could be sold on a strictly business basis. He realized that insurance for the most part was sold and not bought. He urged not only his own people but others to extend their insurance knowledge, keep up to date, be well informed and bring themselves to a point where they were able to render the greatest possible service to their clients. In connection with his resourcefulness in many lines he believed that insurance should adopt a more aggressive and appealing public relations policy. He was the greatest exponent of education in connection with the National Association of Insurance Agents and it was largely through his influence that the American Institute of Property & Liability Underwriters was organized. Mr. Fetzer got his idea from the American College of Life Underwriters which awards the C. L. U. degree. He urged that fire and casualty insurance adopt a similar policy. He had

many conferences with Dr. S. S. Huebner, dean of the Wharton School of Finance & Commerce of the University of Pennsylvania, who was the leader in the American College of Life Underwriters. He served as chairman of the public relations and educational committee of the Illinois Association of Insurance Agents, was a member of the executive committee of the National Association of Insurance Agents and during his term urged that the organization get back of a well equipped educational division and make it one of its major activities.

Chairman Public Relations Committee

Recently he was appointed chairman of the public relations committee of the National Association of Insurance Agents. He met with its executive committee in New York City during the week that the National Association of Insurance Commissioners was in session, conferring with the committee, the immediate past president, David A. North of New Haven, Conn., and Averell Broughton, public relations counsel. Mr. Fetzer can be counted on to make the machinery hum and public relations work will take on a more robust and farther reaching aspect.

At the Pittsburgh convention of the National Association of Insurance Agents Mr. Fetzer was awarded the "Woodworth Memorial," it being given each year to that agent who has contributed to the business the greatest benefit and who has achieved in remarkable way. This was done in recognition of Mr. Fetzer's untiring work along educational lines.

Committee Organizations

While Wade Fetzer, Sr., will retire from the more active operations of the organization it can be said that this event has been anticipated and the organization is well geared to carry on the work in a very energetic way. An executive committee was formed some time ago consisting of Vice-presidents J. P. Murphy in charge of the sales organization; F. J. Bristle, casualty; W. M. Sheldon, property; John H. Sherman, life insurance. Then again a governing committee was organized comprising the heads of departments and key men. Wade Fetzer, Jr., has met with each group once a week to talk over the plans for development and improvement. In this way the wings of Alexander & Co. have spread, its activities have grown and its income has increased.

Company Research Is Discussed

(CONTINUED FROM PAGE 23)

tainment. He said that in one test about 75% of the people observed started at the front of the magazine and went through it methodically. He pointed out that all the tests made to date have shown that the quiz type of copy gets the most attention.

Paul L. Hardesty, manager of the insurance department of the U. S. Chamber of Commerce, spoke briefly of the insurance activities of that organization. He said that the board of directors adopted a resolution that the Bailey-Van Nuys bill now pending in Congress is in accord with the chamber's policy. Mr. Hardesty remarked that their "best seller" today is the transcript of the hearings in Washington on the insurance legislation. He pointed out that American industry could not have made the tremendous strides in the war effort that it has without the pro-

tection of insurance. He reported that his organization is engaged in special studies relating to insurance such as the extension of insurance in foreign markets after the war.

Rex Stout, chairman, Writers' War Board, who was scheduled to speak in the afternoon was unable to be present.

The public relations program of the National Association of Insurance Agents is being developed "by and through the N.A.I.A. itself rather than being handled as a commercial publicity job supplied from the outside," Averell Broughton, public relations counsel to the National association, said. The sum total of the interests of all those concerned with stock insurance, he declared, are far greater than the sum of their differences.

About 100 attended the meeting. An innovation was introduced by Secretary T. W. Budlong this time in that the badges of members carried their first names in large letters with the complete name and company affiliation in smaller type. Mrs. Budlong was present and assisted in the registration.

Compton to Move Office Dec. 31

Don E. Compton, Chicago branch manager of Provident Life & Accident, will move that office Dec. 31 from the Insurance Exchange building to the New York Life building, 39 South LaSalle street. The quarters are 50% larger, but have been divided so the life and accident office will be located in 822 and the railroad and group service departments in 823. Robert Van Den Elzen is the manager of the railroad department and Roy Riley of the home office temporarily is handling the group department, due to the resignation of John O'Connor to go with the Continental Casualty home office.

George P. Nevitt of the Nevitt agency, Oshkosh, Wis., has been elected high priest of Tyrian Chapter, Royal Arch Masons.

"ALL ELSE BEING EQUAL"

Underlying the purpose of buying talking space to tell the world how good we are is the desire to secure more agents and increase representation and volume.

Admittedly we sometimes wonder what to say when we stop to consider how many fine casualty companies we can count as competition. What have we that they haven't? To be frank, that stumps us. It is interesting to note that the great bulk of our agents who were with us all through our early growth, are still in there pitching for us. Perhaps we have been attentive to little things as well as big things. Perhaps we have been friendly and helpful. And, all else being equal, our friends do not forget this interest—they continue to go along with us and an increasing number of new agents become acquainted, to our mutual advantage. It does pay to know Bituminous.

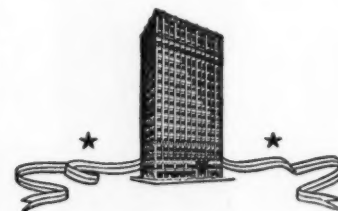
ASSETS OVER \$10,500,000.00

BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND ILLINOIS



"No Standard Higher Than Commercial Standard"



AN ASSET

Commercial Standard's multiple line facilities—automobile, general fire, workmen's compensation, miscellaneous casualty, fidelity and surety coverages—can be as big an asset to you as they are to more than 1600 agents in 25 states.



Commercial Standard Insurance Company

TRINITY BUILDING FORT WORTH, TEXAS

SAFETY EXECUTIVE AVAILABLE

Field and office experience in all casualty lines over 20 years, especially in extra-hazardous risks, occupational diseases (engineering, underwriting and claims), safety organization, speaking, training and departmental management. Experience also includes field underwriting, sales and agency development. Now employed. Age 40. Draft exempt. Address T-70, care The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

Regret Dineen's 23.9% Reference

(CONTINUED FROM PAGE 3)

is the correct rate and the rate should be left where it is as long as the loss cost is 16 cents.

A five-year period is the shortest one on the basis of which the department can order a revision in rates, but it may accept rates made on a one-year basis or any other period. On some classes even a 20-year period would not be conclusive on the basis of experience alone, for a class might be so small that a 20% loss ratio could be boosted to 500% by a single bad fire.

DINEEN'S POSITION

It is recognized, of course, that Superintendent Dineen may have felt morally, and perhaps even legally, obligated to seek a reduction in rates as soon as he had figures which appeared to call for reductions. Some have felt that his move may have been hastened by the position he took in his letter to the Van Nuys subcommittee of the Senate judiciary committee to the effect that New York has ample power to regulate rates and that the rating laws are effective.

There is some feeling, however, that the department's study is based on several erroneous assumptions:

1. That each class is big enough to stand on its own feet—big enough in number, in geographical spread, and in value distribution. By the latter term is meant that the class is not dominated by a few high-value units.

Size of Risks Varies

2. That the size of risks is constant, whereas actually the number, the spread and the distribution of values is not constant from year to year.

3. That the public interest will tolerate periodic swings in rates. In some classes a single loss would necessitate a rate increase of several hundred percent to bring it to the statistically indicated level. Actually the public prefers stable rates, as nearly static as possible.

4. That no out-of-state gains or losses are involved. Actually New York state business can't be viewed as having a fence around it. Probably dwellings are the only class large enough to stand entirely on its own feet. Other classes are necessarily influenced by country-wide business.

Big Premium Year in Inland Marine

(CONTINUED FROM PAGE 2)

was paid, but later the volumes turned up.

There are plenty of railroad risks being offered in the marine market, cargo and rolling stock. Experience on streamliners and the other types of rolling stock that the marine underwriters can take has not been too bad, but the market is pretty restricted for bill of lading coverage, on which losses have been very high.

Motor truck cargo losses have risen sharply. Almost any full load of merchandise is appealing to thieves, and liquor and tobacco losses are excessive. Many truckers fail to maintain reasonable checks on new employees or on the handling of bills of lading, returned merchandise, and trucks. Highjackings have skyrocketed and there is frequent evidence of collusion between drivers and thieves. Drivers themselves occasionally disappear with a load.

Poor equipment and unskilled or irresponsible drivers have contributed to poor physical damage experience. Trucks are turning over, burning, or getting smashed up too frequently for under-

writing profits. The values exposed often are so high that even though the loss is one that might have occurred under normal conditions, it takes a big bite out of accumulated premiums.

The proposed increases in excise taxes on luxury items such as furs, some marine underwriters feel, will cut into the volume of insurance business done on personal lines. Others do not think so, believing that even though the price of a fur coat is increased 25% by tax, war workers, farmers, and others with larger incomes will spend the money they have for an item that is not quite so expensive, and will probably insure it.

It is almost impossible to find a good marine underwriter, special agent or manager these days. Personnel in the marine business has consisted of young men and the draft has hit this harder than some of the other fields. The universal complaint of marine departments is that they do not have enough help to get out the work and take care of the increased business. Outside men have been brought in to do underwriting and handle some of the detail, and some women have been trained as underwriters. Marine departments are not too much concerned with promotion of new business. New business is com-

ing, and the problem nowadays is to take care of what is in front of them.

McCormack Hits Federal Threat in Memphis Talk

(CONTINUED FROM PAGE 2)

of such ex-insurance commissioners and apply their talents to the further development of the insurance business."

McKittrick also commented at the hearing, that many insurance commissioners are appointed because they are engaged in the insurance business. All

Ready for Action—
ANYTIME—
ANYWHERE!



Back the Attack—with War Bonds

FIDELITY AND SURETY BONDS
BURGLARY, ROBBERY, FORGERY
AND GLASS INSURANCE



FIDELITY AND DEPOSIT COMPANY
of Maryland . . . Baltimore, Md.

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

insurance commissioners should be appointed from the field of the insurance business, Mr. McCormack said. If that were true now, some of the crackpot ideas from braintrusters who know nothing about the facts and have no practical experience on the subject of insurance might be eliminated, Mr. McCormack declared. That is the first rule of a typical bureaucrat, he added, to insist upon regulating matters that he knows nothing of and has had absolutely no experience with.

Call Public Hearing in Tex. Dec. 20 on Wind Rates

AUSTIN—The Texas department has called public hearing for Dec. 20, to consider revisions of windstorm and extended coverage rates and rules, and all matters pertaining to the writing of windstorm and extended coverage insurance.

Dahlberg Heads Accountants

NEW YORK—Arthur A. Dahlberg, Sun, was elected president of the Insurance Accountants Association at the annual meeting. First vice-president is R. C. Ratcliffe, Newark Fire; second vice-president, J. M. Donovan, Travelers Fire; third, John W. Lamble, Royal Exchange; treasurer, F. W. Maassen, London; executive secretary, DeWitt C. Glatz, Phoenix of London.

A. F. Matthews, vice-president of the Meserole companies, who was to have given the principal address, was unable to keep the engagement due to illness. The membership is now 380.

Interstate Reforms Are Suggested

(CONTINUED FROM PAGE 2)

and filed rates in each local jurisdiction. Any proposal for use of local values and the average rate of the master policy would, therefore, be improper.

"It is possible that some procedure or machinery could be adopted for centralized accounting and reporting to companies of premium allocation. It is also possible that all provisional premiums could be carried in a single account and distributed in one operation for the year. Reversing entries could be made the following year. The earned premium on each policy would then be allocated to the various states on the actual basis."

Practices by States

If provisional premiums were carried in a single account, as suggested by Mr. Moss, the companies would be spared the trouble of carrying out this operation on a provisional basis for each policy and then making the re-

versing entries to offset them when the final account was put through on the actual basis.

The report also recommends that because inclusion of reporting-form business tends to distort the experience when included with all other business this business should be excluded from all other fire insurance experience statistics and reported in accordance with classification systems to be set up which will accurately and adequately disclose the experience on reporting-form business.

The distortion introduced into overall experience figures under the present plan is due to the lack of uniformity in the classification of this business by the companies and to certain features inherent in this type of coverage, according to the report. Among these features are the following: Coverage is afforded under a single policy of properties located in more than one state; the net rate at which the policy is issued is arrived at by (1) averaging individual tariff rates and (2) applying a discount factor; and the earned premium determined at expiration is based on monthly reports of values.

A feature of the report is that it shows what the different practices are according to states. For example, one table is headed, "States in which underlying daily reports are submitted to stamping bureaus for audit." The date is given according to 28 company groups, a group being those companies which follow the same practices. Companies are not identified by name.

In connection with stamping or audits, the report points out that if these bureaus are to make an adequate review of the underlying policies all pertinent information should be contained in the daily report at inception and in an endorsement at expiration but that the tables show that this is not always the situation. Some daily reports do not indicate that they are underlying daily

reports, street addresses are not always given, sometimes the reporting feature of the contract is not indicated and the underlier is written as if it were specific insurance at tariff rates. Where the master contract average is used on an underlying policy the local stamping office has no means of verifying such rate nor the authority, it is believed, to approve such rate, the report points out. It also points out that since control of discounts is in the hands of the board for all states except New York and Texas, the control of these two states is nullified.

Close Cooperation with Agents Urged

(CONTINUED FROM PAGE 4)

had hoped that they could and would keep the federal foot out of the insurance door. I have sufficient faith in the patriotism of insurance agents to feel that they would have distributed this line without commission if necessary as a contribution to the war effort. I'm not kicking about the thing but I am perturbed over a system by which we agents are bound by our company executives without consultation.

"Company executives agreed with a national broker to write property damage insurance on U. S. Steel properties at a gross commission of 10%. However, these policies have to be countersigned. At what fee? Well, 14 F. I. A. member companies write the line. They attempted to pay a countersigning fee of not to exceed \$50 per policy nor more than \$250 to an agency. Some members of the Ohio association paid out many, many times those amounts on a much smaller line. In this case I would recommend consultation between company executives and countersigning agents and the exercise of the right of private

SPECIAL OFFERING

TO AGENTS AND BROKERS!

A NEW FOLDER ON A NEW POLICY!



COMPREHENSIVE COVERAGE!

IT'S SALES PROVOKING!

IT'S TIMELY!

IT'S NEW!

YOU'LL find everyone a prospect for this complete low cost protection. They will like the personal and residence comprehensive liability feature which can be extended to cover private automobiles in the same policy.

Write today for these dramatic sales provoking pamphlets to help you present this new type of coverage quickly and effectively.

ACCIDENT AND CASUALTY INSURANCE COMPANY

of Winterthur, Switzerland

United States Head Office

111 JOHN STREET, NEW YORK CITY


OGDEN DAVIDSON
United States Manager

CHARLES A. BARKIE
U. S. Assistant Manager

CREDIT INSURANCE SPECIALISTS

J. F. McFadden, PRESIDENT

FIRST NATIONAL BANK BLDG.
Baltimore



"Guarantees Payment of Accounts Receivable"

OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

contract. In other words, let them make their own deal after consultation."

"Almost immediately after the Factory Insurance Association was reorganized a pretty little blue and white brochure appeared. It fairly bristled with uniformity of practice. It said that insurance must keep up with industry, it spoke about its improved service and it confessed to all and sundry that the reorganization was good. And, then, as one read on, one found that the newly organized F. I. A. reserved unto itself the right to deal with governmental agencies and it wanted to handle national risks. We were told that 'there will be no change in the operation of the F. I. A. after reorganization.' Immediately after the appearance of the brochure, the top F. I. A. commission was put at 15%. Were you ever consulted? No, no agent was consulted.

Comparison Is Cited

"Now let's compare the rubber and automobile industries with insurance. The rubber and the automobile industries constantly consult their sales forces, getting information, suggestions, and advice—and heeding all three of them. On the other hand, the sales forces of the insurance industry get their orders in black and white without consultation or suggestion or advice. Are we agents so dumb that we have nothing to offer to the all powerful executives and the committees and the bureaus which they've set up? Are agents an integral part of the insurance industry?"

Mr. Van Vechten told how stock and mutual executives and agents met together in Columbus to work out an assigned risk plan needed in connection with Ohio's new safety-responsibility law. "There was no bickering or backbiting or jealousy or suspicion. There was a job to be done and it was done. And it was done in cooperation with all types of carriers and with agents.

Should Pull Together

"Cooperation and consultation go hand in hand. Cooperation between company executives and their organizations and agents is possible and proper and right. It's high time that all engaged in this industry of ours get together, consult together, pull together, and go forward together for the common good, so that we may all do a better job for Mr. John Q. Public."

Theodore M. Gray, executive secretary Ohio association, emphasized the need for greater activity in legislation affecting insurance interests. "The present federal legislation, if successful, will intensify the problems of state regulation. The trend of broken promises; the acts of broken faith; and the clear evidence of poor company sense of values in public relations challenge our leadership."

Form Changes Suggested by Washington Agency Leaders

(CONTINUED FROM PAGE 4)

of financing the project. His recommendations were well received and a committee will be appointed to undertake the activity.

Paul Swift, Spokane, called attention to the Wagner-Murray social security expansion bill pending in Congress and said the Spokane Insurance Association had sent the entire Washington delegation a resolution registering its protest against the measure. The executive committee voted unanimously to follow the resolution and action of the Spokane association.

Wm. H. Harmer, Seattle, and Gerwyn A. Jones, Walla Walla, regional vice-presidents, announced plans for membership development work. Key members of the executive committee will be asked to assume responsibility in their neighboring communities and in this way hope to bolster the membership at a time when travel is sharply restricted.

Harold N. Mann, Tacoma, reviewed highlights of the fire and accident prevention work of the National association

committee of which he was chairman. The National association has recognized the public relations aspect of fire and accident prevention and these two activities are being consolidated and will have the special attention of Averell Broughton, public relations counsel.

E. R. Bowden, chairman of the legislative committee, submitted a brief report and reiterated the call for support for the Bailey-Van Nuys bill.

On the occasion of his 10th anniversary as executive secretary, Irwin Mesher recounted some of the association's activities during the past decade.

O. N. Jones, president Wenatchee association, said members of his local board were deeply concerned over the unfavorable publicity the business has been receiving in publications which are held in high regard by the public. State National Director A. W. White explained the manner in which counter measures are being prepared by the public relations committee of the National association.

H. D. Lasell, Aberdeen, secretary-treasurer, submitted the annual audit of the association's accounts. John D. Wells, president Pierce county association, extended greetings. V. R. Lee, Chehalis, chairman executive committee, presided.

Bureaus' Menace Graphically Told

(CONTINUED FROM PAGE 6)

though there was no conceivable excuse for withholding the regular two-year permits. At the time the committee began its investigation about one-half of the stations were operating on a month-to-month basis with this sword of Damocles of inability to renew hanging over their heads.

The statute giving the FCC its power over the radio business is extremely broad, and by reference to "public interest, convenience, or necessity, enable the commission to interpret these words in almost any way that it sees fit.

"The phrase 'public interest, convenience, and necessity' has been on the statute books for 16 years," said Mr. Reilly, "but I defy anyone to tell you what it means." He hazarded the opinion that it was a bit of abracadabra to get around the question of constitutionality and said that unless the phrase is defined it means "just plain unpredictability."

Mr. Reilly described the scheme which

the FCC employed to accomplish indirectly what it lacked legal power to do directly. If a radio station, particularly a foreign-language station, had a broadcaster whom the FCC considered a possibly subversive influence the Office of War Information would have a representative drop in to see the station manager and casually remark that the broadcaster ought to be removed. If the hint was not followed about a week later a man from the FCC would stop in, make an inspection and hint at irregularities and technical defects. If the broadcaster still remained the station would be put on a temporary license basis but usually the management got the idea and discharged the broadcaster.

Mr. Reilly pointed out that this was done even in cases where the federal Office of Censorship had reviewed the broadcasts and found them unobjectionable. He said that while it was true that the FCC people in these instances might have been motivated by patriotic aims and doing a service to the nation, this did not palliate their offense in going beyond the scope of their powers.

G. H. Martin, New Jersey state agent of New York Underwriters, was elected guardian to fill out the unexpired term of C. C. Collins who resigned from office because of going to the Hartford



for
**QUICK, DEPENDABLE
PLATE GLASS
REPLACEMENT SERVICE**

PHONE
Mohawk 1100

American Glass Company is in the Service, too

Every minute counts in these war-busy days. Every one of us has a bigger job to perform. Ours is to help protect business and materials vital to the war effort by rendering an even faster plate glass replacement service. Business and industry must go on uninterrupted.

Now, more than ever before, we are proving to thousands of Chicago business and industrial establishments our superior plate glass replacement service.

For speedy, dependable plate glass replacement service, American Glass Company has never failed—it constantly guards the enviable reputation it has earned through 27 years of faithful service.

BUY BONDS
BUY AMERICAN



American Glass Company
1030-42 NORTH BRANCH STREET · CHICAGO



"WHAT A MISTAKE I MADE!"

BIG DAMAGE SUIT PENDING— NO DRAM SHOP LIABILITY INSURANCE POLICY

The building may be sold by court order to satisfy a judgment. Yes—it is a big mistake for the owner of a building in which there is a tavern, restaurant or club serving intoxicating beverages, to be without Dram Shop Liability Insurance.

Courts and juries seem to favor the "have nots." The "have" must pay.

INSURANCE IS THE ONLY PROTECTION

For Best Terms Address

A. F. SHAW & CO., INC.
CHICAGO, 175 W. Jackson Blvd. Phone WABASH 1068

**KNOCK ON WOOD
FOR LUCK!**



NO need for your prospects to put all their faith in this old superstition. Supply them with real protection through a contract with General Accident or Potomac. These organizations are admirably equipped to meet the needs of your assured for complete Casualty... Accident and Health... Fire... and Marine insurance.



AGENCY DEPARTMENT
GENERAL BUILDINGS
PHILADELPHIA

office of the Fire Companies' Adjustment Bureau. He was formerly with Service Review.

Nine new members were elected: F. J. Loneragan and W. F. Padberg, Jr., both of Underwriters Salvage of New York; Henry Jackson, supervisor inland marine department North British & Mercantile; Walter Wallin, special agent of National Union in Newark; Carl Herzog, special agent of National Liberty in New York City; J. A. Warth, C. P. A., of the insurance accounting firm of J. Frederick E. Wood; A. H. Vetterman, general adjuster of Service Fire; William Lind and H. H. Ferry, independent adjusters, New York City. Except for the last three, who were absent, all the new members were obligated following their election. R. F. Moore, New Jersey state agent of Boston and Old Colony and immediate past most loyal gander, gave the obligation and P. M. Winchester, assistant general manager eastern department Fire Companies Adjustment Bureau, and grand custodian, gave the charge. R. C. Williams, assistant general adjuster North British & Mercantile, most loyal gander, welcomed the new members into the pond.

Sent Christmas Gifts

The pond has sent as Christmas gifts to all its members in the armed forces a leather toilet case, complete with sundries and a carton of cigarettes. The pond voted to send flowers to J. A. Hoffman, independent adjuster, who is ill in Doctors Hospital, New York City. All members present signed a "get well" card which was sent to him.

G. G. Munn, economist of the securities firm of Paine, Webber, Jackson & Curtis, will be the speaker at the next meeting, Jan. 26, at the Downtown Athletic Club. He will discuss postwar developments.

Bonus Overtime Debated in N. Y.

(CONTINUED FROM PAGE 25)

of the war but the general problem of the use of payrolls to determine premiums.

Opposing the step, J. L. Train, president and general manager, Utica Mutual, pointed out that elimination of bonus overtime would immediately make the premium income too low for many upstate industries, particularly in the textile field, which pay less than \$37.50 a week and pay no overtime to speak of. He said that there would also be much complication in auditing, as for example, how to audit piece work, particularly where an efficiency bonus is involved. It would virtually be necessary, he said, to accept the employer's figures or else make a study of the employer's entire piece work system. He predicted that once the bonus overtime had been removed from the computation the employers would exert great pressure to have bonuses, sick pay, vacation pay, and everything else except straight time removed as a basis for premiums. Though admitting he was not in agreement with other insurance men on this point, he said that as far as the fear of greater losses in the deflationary period is concerned he felt that employers would retain their best and most able bodied em-

ployes and that the older persons who had been responsible for the wartime increase in accidents would be let go.

W. F. Martineau, deputy superintendent, who conducted the hearing, read letters favoring the elimination of bonus overtime from the state association of credit men and Risk Research Institute, insurance buyers' organization. Superintendent Dineen, who took an active part in the questioning, expressed regret that no spokesmen for industry were present at the hearing.

William O'Rourke, head of the State Insurance Fund, opposed the proposal on the ground that it would lead to widespread irregularities, with many insured keeping two sets of books in order to exaggerate the amount of bonus overtime paid.

Says War Projects Rating Plan Saves Navy \$17,000,000

A recent navy department survey of preliminary statements for workmen's compensation, public liability, and automobile liability on 146 cost-plus-a-fixed-fee contracts written under the war projects rating plan reveals a difference between standard premiums and total cost to the navy department of more than \$17,000,000, Lieut. O. J. Parker, Jr., U.S.N.R., said at the maritime commission and navy safety conference at New Orleans. He said it is estimated that this saving will pay for the construction of one destroyer, three mine sweepers, and at least 20 torpedo boats.

Lieutenant Parker attributed the savings under the plan largely to the excellent results of the safety programs and fine cooperation of the contractors and their employees in reducing accidents. Recently it came out that as a result of the safety program the accident frequency in one of the large Gulf shipyards was cut 30% in less than four months. Most of Lieutenant Parker's talk was an explanation of the workings of the insurance plan.

Two Hartford's' Bonus

Hartford Fire and Hartford Accident, following their custom of former years, have voted additional compensation to employees amounting to 10% of their earnings, to be distributed in the coming year in four quarterly payments.

Chicago Chorus Busy

Surmounting wartime handicaps, a Chicago insurance chorus of about 25 voices has been assembled by C. M. Hughes and the Chidley & Reynolds agency and they will sing Christmas carols at noon Wednesday, Thursday and Friday before Christmas around the tree in the north lobby of the Insurance Exchange.

George H. Tow, resident vice-president of Standard Accident in Cincinnati, died there Tuesday. He had been ill for only about a week and was in Christ Hospital awaiting an operation. He had been manager of the Cincinnati office of Standard Accident for 35 years, and before that was with the B. & O. Railroad and later with Equitable Society. He had been active in both the Cincinnati Fire Underwriters Association and the Cincinnati Casualty & Surety Association, having served as a trustee of both organizations.

1886—OVER A HALF CENTURY OF SERVICE—1943

The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

Oldest and Largest Company in America Writing Accident and Health Insurance Exclusively

District Managers and Representatives WANTED

Geo. F. Manzmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Minister Heads Ohio Committee on Reaffiliation

The trustees of the Ohio Association of Insurance Agents have authorized J. F. Van Vechten, president, to appoint the following committee to consider the matter of reaffiliation with the National Association of Insurance Agents: Harry T. Minister, Columbus, association vice-president, chairman, and these past presidents: E. B. Berkeley, Cleveland; Karl D. Dakin, Lebanon; L. Calvin Jones, Youngstown, and H. S. Martin, Toledo.

The annual convention in Columbus in October amended the code of regulations to empower the trustees to act for the association in all matters of affiliation.

J. G. Hale Is Honored for Forty Years of Service

CLEVELAND—J. G. Hale, senior partner in the Hale & Hale Co. agency, was honored by the Insurance Board of Cleveland at its December meeting for 40 years of outstanding service. Paying tribute to Mr. Hale, President Henry Frankel of the Cleveland board said he entered the field in 1903 and formed a partnership with John A. Seaton in 1905. Mr. Seaton had been in the business since 1899 and had withdrawn from Farmer, Seaton & Co. in 1903 to form his own agency. Mr. Seaton died in 1905, and Mr. Hale continued the business which later became known as the Hale & Hale Company. J. G. Hale is senior member of the company and his son, Clayton G. Hale, nationally known in the insurance field, is the junior member.

President Frankel said that throughout his 40 years Mr. Hale, "more than most others, has measured the conduct of his own business in the light of what is good for the business as a whole. This has sometimes cost him business, but frequently it has led to his successfully carrying on single-handedly in issues where he felt that his fight was the fight for all. He has for many years been a member of the forms committee of the Cleveland board and continues to give his experienced attention in the interest of all members."

Schwalbach New President of Wisconsin Mutuals

MILWAUKEE — Monroe Schwalbach, Germantown Mutual, was elected president of the Wisconsin Association of Mutual Insurance Companies at the annual meeting here. He succeeds Gary H. Kamper, Badger Mutual, Milwaukee, who served two terms and becomes ex-officio member of the board. Junias Pleuss, Manitowoc Mutual, was elected vice-president, and Theo. R. Schmidt, Kewaskum Mutual, renamed secretary-

treasurer. New directors are C. R. Vande Zande, Campbellsport Mutual, and Herbert Roehr, Cream City Mutual, Milwaukee.

Elected to represent the association on the board of the Wisconsin Mutual Alliance was G. H. Kamper, executive vice-president and general manager, Badger Mutual Fire. Incumbent members are George A. Jacobs, president Citizens Mutual, Janesville, and August Fuge, West Bend Mutual. Nominated as mutual representatives on the subscribers' committee of the Wisconsin Fire Insurance Rating Bureau were Theodore Stickle, Furniture Dealers Mutual, Milwaukee, and Junias Pleuss, Manitowoc Mutual.

Reports were made by officers on the regional agents' conferences held in several key cities of the state for agents of the city and village mutuals comprising the association. Because of the war, the central agents convention, usually held in Milwaukee, was abandoned this year and four regional meetings were held instead at Beaver Dam, Green Bay, Sheboygan and Milwaukee. The 1752 Club of Wisconsin cooperated with the association in arranging and conducting the regional meetings, also furnishing several speakers.

Use N. Y. Policy in Ohio March 1; Allow Endorsement

COLUMBUS—As the forms being prepared for use with the 1943 New York standard fire policy will not be available for distribution Jan. 1 but will be ready for distribution March 1, Superintendent Crabbe has recommended to avoid confusion and to eliminate ambiguities and complexities which would arise from the introduction of the new policy without the proper forms, that the policy be adopted as of March 1 instead of Jan. 1.

He says that if companies desire to use up existing stocks of policies and give the assured the coverage of the 1943 New York policy on property located in Ohio, the department will not object to the use of these policies from March 1 to Dec. 31, provided the proper endorsement be annexed to each policy. The endorsement reads: "This policy is written subject to the provisions, stipulations, agreements and conditions of the 1943 standard fire insurance policy of the state of New York, and to the terms and conditions of the forms and endorsements added thereto and shall be construed in accordance therewith."

Model Ordinance Fails at Wichita

Efforts of the Wichita fire prevention committee headed by John H. Engstrom, Jr., of the Paul C. Yankey agency to secure adoption of a fireworks ordinance patterned after the National Fire Protection Association model failed last week. However, a substitute ordinance prohibiting firing and use of fireworks on public streets and public property, etc., was placed on first reading. The Wichita

commission favored supporting the model ordinance as a state law and requested the fire prevention committee to draw up a bill and refer it back to the commission for approval. Attempts to secure passage of such a law at the 1942 term of the Kansas legislature failed, due partly to a crowded calendar.

Western Adjustment Shifts King and Murtaugh

Charles B. King, manager of the Springfield, Mo., office of Western Adjustment, is being transferred to Des Moines as a member of the regional supervisory staff there. He is a competent and experienced adjuster. Mr. King has been associated with Western Adjustment for 18 years, having served in Illinois, Indiana and Kentucky offices before going to Springfield.

Mr. King will be succeeded at Springfield by Hugh L. Murtaugh, chief staff adjuster at East St. Louis. Mr. Murtaugh is a graduate of the head office training school, 1928, and was formerly resident adjuster at Champaign, Ill.

Ruling on Advances to Mutuals

COLUMBUS—The attorney-general of Ohio has advised the insurance department that mutual company may not repay advances made to it by directors or officers or pay interest on the advances except from its surplus earnings. Surplus earnings, as used in the Ohio laws, are defined as those for the entire history of the company and not its earnings for one year. Thus a company which has suffered a loss in previous years must recoup these losses and show an actual balance in its surplus account before the advance can be repaid.

Plan Minnesota Mid-Year

MINNEAPOLIS — The Minnesota Association of Insurance Agents is going ahead with plans to hold the usual mid-year meeting next spring. The executive committee will meet about the middle of January to set the date and place. In the meantime a program is being roughed out and possible speakers lined up.

Recent mid-year meetings have been outstandingly successful and association leaders feel this is no time to abandon them.

Plan Public Relations Rally

C. E. Funston, president of the Winfield (Kan.) Insurance Board, is planning a "public relations" rally in January to be attended by Victor G. Henry, Wichita, Kansas state national director; Evan Browne, Kansas City, secretary, and B. J. Weldon, Wichita, chairman of the public relations committee of the Kansas Association of Insurance Agents. Agents from neighboring towns will be invited.

New Pumpers for Grand Rapids

GRAND RAPIDS, MICH.—Walter H. Sack, city manager, has authorized the city purchasing agent to ask bids on three new pumpers for the fire

department. One city pumper was destroyed and several others put out of commission indefinitely while fighting the recent Berkey & Gay furniture plant fire.

Evansville Christmas Party

The annual Christmas party of the Evansville Association of Insurance Agents and the Evansville Association of Insurance Women was held jointly. Phil H. Euler, president of the agents' association, and Selma Shaperjohn, president of the women's organization, presided.

Will Talk to Buyers on Credit

E. B. Moran, manager of the central division of the National Association of Credit Men, Chicago, will discuss relation of insurance and credit at a meeting of the St. Louis insured members' conference of the Associated Industries of Missouri Dec. 21.

Loesch Is Lincoln Speaker

LINCOLN, NEB.—A. H. Loesch, manager of Underwriters Adjusting, spoke at the December meeting of the Lincoln Association of Insurance Agents on various phases of underwriting and present methods of adjusting claims.

Van Vechten in Youngstown

J. F. Van Vechten of Akron, president of the Ohio Association of Insurance Agents, spoke before the Youngstown Association of Insurance Agents at its annual dinner meeting Dec. 15.

\$168,000 Ohio Plant Loss

The Hause Valve Co. plant at Montpelier, O., burned with a total building and contents insurance loss of \$168,000.

NEWS BRIEFS

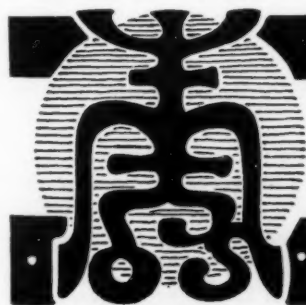
Employees of the Dunning & Dunning agency of Duluth feted the Dunning brothers, Ernest and Clarence, at a party marking their 34th year in the insurance business and the 30th anniversary of their representation of Aetna Casualty as general agents in northern Minnesota and northern Wisconsin. There are 25 in the office organization.

Dr. Lennon A. Mills, associate professor of political economy at the University of Minnesota, spoke at the Dec. 13 luncheon meeting of the Insurance Club of Minneapolis. The program was sponsored by a group of local agencies.

C. M. Allen of the Bauerle-Allen agency has been elected treasurer and R. S. Brewer of Wheeler-Kelly-Hagney a director of the Wichita Real Estate Board.

Mrs. Harriet Kelly, vice-president of the Homer Warren & Co. agency, has been elected president of the Detroit Housing Commission, succeeding the late E. W. Thompson, supreme commander of the Maccabees.

The quarterly meeting of the Minneapolis Underwriters Association, originally set for Dec. 13, has been changed to Dec. 20. P. J. Slettedahl, editor of "Northwest Insurance," will speak on "Significance of Political Trends."



FAMOUS SYMBOLS OF SERVICE

THIS AGES-OLD SYMBOL IS A CHINESE WAY OF EXPRESSING WITH TRADE-MARK SIMPLICITY, THE PROMISE OF LONG LIFE. IT MEANS MORE — TRANSLATED, IT SAYS: "THIS IS AN OMEN OF MANY HAPPY AND USEFUL DAYS TO COME."

THE NORTHERN ASSURANCE SYMBOL IS A HALLMARK OF INTEGRITY. IT IS THE TRADE MARK OF A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS.

THE NORTHERN ASSURANCE CO. Ltd.

FIRE AND ALLIED LINES, AUTOMOBILE INLAND MARINE, REPORTING FORM & FLOATER CONTRACTS
NEW YORK • CHICAGO • SAN FRANCISCO



IN THE SOUTHERN STATES

W. E. Kingsley Buys Ky. General Agency

W. E. Kingsley, who has been Kentucky state agent for Travelers Fire since 1926, and prior to that traveled for Home, has purchased the W. B. Respass general agency of Lexington, Ky. Mr. Respass died last August and Mr. Kingsley purchased the general agency from the estate. It is a well established and successful general agency. Mr. Kingsley has resided in Louisville but he intends to move to Lexington. He will continue to represent Albany, California, Eagle Star, Capital, Richmond, Eagle Indemnity and Central Surety. Following the sale, a number of company representatives held a meeting with Mr. Kingsley in Lexington to make decisions about future operations. That group included Frank L. Ludington, Albany; A. E. Perry, California; H. D. Forrester, Capital; W. H. Wagner, Eagle Star, and Gordon Eason, Central Surety.

C. D. Minor Stresses Three Responsibilities of Agent

RICHMOND—Claude D. Minor, president of Virginia Fire & Marine, addressed the December dinner meeting of the Insurance Exchange of Richmond on "Where Do We Go from Here?"

He reviewed the evolution that has taken place in the insurance business in the past four decades and made some predictions for the future. He stressed three responsibilities resting upon the successful local agent, responsibility to himself, responsibility to his companies and responsibility to his clients. He regards insurance education as the avenue through which agents can develop these responsibilities and keep in step with ever-changing conditions and coverages.

President Warren F. Curtis announced the appointment of R. Ashford Finnell as chairman of the education committee. Early in 1944 the exchange will sponsor the National association's educational program in Richmond under Mr. Finnell's leadership.

Louisiana Problem Unsolved

WASHINGTON—RFC insurance officials are still wrestling with the old problem presented by refusal of Louisiana state authorities to permit use of the government joint rating plan on operating projects in that state. Officials here indicate, however, there is not much they can do about it.

The Louisiana insurance department's ruling is said here to be more a matter of interpretation than of law.

In view of the ruling, however, RFC, as well as the War and Navy departments, require competitive quotations on insurance of government war operating projects in Louisiana. Under this system, it is pointed out, the advantage always lies with mutuals.

Stock company agents functioning in Louisiana usually lose out on the business, it is said, while mutuals may increase their dividends, but the former have not been able to induce Louisiana authorities to see the light, it appears.

RFC is interested through its Defense

Plant Corporation, which has financed construction of many government war plants and their operation in some cases under lease.

Oklahoma Agents to Meet May 16 in Oklahoma City

The executive committee of the Oklahoma Association of Insurance Agents met during a regional meeting in Ardmore and decided to hold the association's annual meeting in Oklahoma City May 16.

The Ardmore meeting was attended by 28 association officials, members of the executive committee and agents of the Ardmore territory.

A luncheon was followed by a round table discussion. W. J. Gissendanner, manager Oklahoma Compensation Rating Bureau, discussed "Compensation Risks," and led the discussion that followed. M. B. Breeding, Oklahoma City, vice-president, who acted as master of ceremonies announced the addition of 13 new members from the Ardmore region.

The next regional meeting will be held March 10 at Clinton.

Makes Offer for Invasion

The J. V. Arthur agency of Winchester, Va., announced over the radio that it will present a cash award of \$100 to the first member of any branch of the armed forces from either Winchester or Frederick county that mails a postal card to the agency from any official station within Germany, in the invasion of the Reich. The contestant must be a fighting man and not a prisoner of war. The agency is also making the same offer to one who sends a postcard from the Philippines, when recaptured, or from Japan, when invaded.

Nashville Women Hear Byron

NASHVILLE—Charles Byron, former president of the Nashville Insurance Exchange, addressed the Nashville Association of Insurance Women, discussing the government's method of awarding and handling insurance on housing projects, with later reference to opportunities in selling aircraft insurance. Miss Marie Irvin, chairman, announced that the 33 new members secured in the membership drive just closed will be given special honors at a bridge tea Jan. 22.

San Antonio Claim Men Elect

SAN ANTONIO—The San Antonio Claim Men's Association has been reorganized and these officers elected: Charles F. Nichols, Nichols Adjustment Service, president; Henry Wickline, Fire Companies Adjustment Bureau, and Henry Wolf, Lloyd Caldwell Corporation Claims Service, vice-presidents; W. C. McNeil, Texas General Agency, secretary-treasurer.

Charlotte Exchange Elects

CHARLOTTE, N. C.—The Charlotte Insurance Exchange has elected Henry G. Newson president; John Orr, vice-president; Ernest F. Young, secretary-treasurer.

Moore, West in Norfolk

Thomas T. Moore, chief examiner of the Virginia department, and Oscar H.

West, manager Virginia Association of Insurance Agents, were joint discussion leaders on "Virginia's Insurance Laws" at the school conducted by the Norfolk local board, as a part of the National association's 100-hour educational course.

NEWS BRIEFS

Roger Clarke, Fredericksburg, Va., former president of the Virginia Association of Insurance Agents, is the father of a daughter, the third in his family.

John S. McRae, vice-president and secretary of the South Boston, Va., agency of Fry, Jordan & Wilson, of which W. Owen Wilson of Richmond is president, was taken suddenly ill while on a business trip to North Carolina and is confined to a hospital in that state.

John T. Clark, deputy clerk of Pittsylvania county court for 15 years, opened a local agency at Chatham, Va.

EAST

Asks United Agency Front Against Direct Writers

President Harold D. Barnes of the Massachusetts Association of Insurance Agents, in a bulletin to members, contends that the greatest menace to the agency system is the direct writing insurer and he urged the members to join hands with the representatives of agency mutuals in preserving the agency system. He recalled that the Mutual Insurance Agents Association of New England held its first annual convention just recently at Boston. A number of that group, he said, represent stock as well as mutual companies and the meeting was constructive. There never was a time, he said, when agents and agency organizations needed to work together more than now. "Let us submerge our differences and prejudices to at least second place and present a united front for the preservation and advancement of the agency system," he declared.

Big Philadelphia Bakery Loss

PHILADELPHIA—Fire which caused damage estimated at \$200,000 last Tuesday wrecked two of the three buildings of the Gold Medal Baking Company in West Philadelphia. The flames, fed by large quantities of cooking oil, destroyed thousands of pounds of flour, two carloads of which had arrived the day before. It was stated that all losses were covered by insurance. All supplies in the buildings were destroyed and damage done to machinery that cannot be replaced until after the war.

Backfire from one of three oil burners in the basement is believed to have started the fire. Cooking oil and butter created a blazing foam on top of tons of water poured into the basement. Firemen finally washed the blazing foam into the street, where it was smothered with chemicals.

New Worcester Mutual Setup

WORCESTER, MASS.—Harry Harrison has been elected president and treasurer of Worcester Mutual Fire, succeeding Willis E. Sibley, who retired at his own request after holding the post 28 years. Mr. Harrison has been in the mutual fire field 50 years, and been secretary-treasurer of the company for 30 years.

H. Lincoln Harrison, who has been assistant secretary, became supervisor of agencies and will be in charge of all the field work in New England and New York state. He has been with the company 20 years. Minott M. Rowe is named secretary and Robert L. Freeman, assistant secretary.

N. Y. Central Mutual Elects

New York Central Mutual Fire has elected Douglas T. Robinson, secretary and manager to succeed Van Ness D. Robinson. Douglas T. Robinson has served as secretary for 10 years. C. T.

Coats resigned as president and was elected chairman. W. S. Robinson was elected president. He has been vice-president 12 years. George T. Ballard was elected vice-president.

Approve D. of C. Rating Bill

WASHINGTON—Senate bills 1028 and 1029, as recommended by Senator Burton's subcommittee, have been ordered favorably reported by the Senate District of Columbia committee.

These bills provide for a fire insurance rating bureau for the district and for penalty of fine for local insurance law violations in certain cases, instead of limiting penalty to suspension or revocation of license.

The rating provisions are similar to those of Virginia.

Shift Pa. Examination Dates

Commissioner Neel of Pennsylvania announced that the agents' and brokers' examinations at Harrisburg and Williamsport, scheduled for the fourth Saturday in each month, will be held on Dec. 27 instead of Dec. 25. There will be no change in the hours or places of examination. At Philadelphia the examination scheduled for Jan. 1 will be held Jan. 3.

NEWS BRIEFS

The December meeting of the Syracuse (N. Y.) Insurance Women's Association was a Christmas party and included a USO shower.

The Insurance Women of New Jersey are holding a dinner-meeting in Newark Dec. 16. Guests will include Florence MacCaskie, president New York City Association of Insurance Women, and Clara McCubbin, Baltimore, National association vice-president. Ada V. Doyle, National association president, also is expected to attend.

COAST

Heavy Wind, Fire Losses in Bay Area

SAN FRANCISCO—Offices here are being deluged with windstorm claims following a severe blow through the San Francisco area and other sections of northern California. Claims from such resort and summer home centers as Lake Tahoe, the coast mountain ranges, Oakland, Berkeley and other residential areas report severe losses, especially in the rural and farm sections. Many ranch buildings are reported to have been destroyed by fire and the loss estimates range from a few hundred thousand dollars to millions.

Even before the wind, which reached 74 miles an hour, had subsided, hundreds of claims had been received by agents and brokers throughout the territory. Company executives say it will be months before the final total of insurance losses will be available.

Push Ore. Accident Prevention

PORTLAND, ORE.—More efficient methods for the prevention of accidents and for reporting them when they occur were discussed at a special meeting sponsored by the Portland Association of Insurance Agents.

Robert S. Farrell, Jr., secretary of state, discussed the growing serious problem. Fred E. Jewell presided and George R. Merriam was discussion chairman.

Similar meetings were held in Salem, Medford and Klamath Falls.

Federation Plans Expansion

SAN FRANCISCO—At a meeting here of the California Insurance Federation, C. C. Hannah, president of Fireman's Fund, was elected a director to succeed Charles R. Page. S. A. Livingston of the marine general agency of Matthews & Livingston also was elected

ADJUSTERS! REDUCE YOUR FIRE CLAIMS!

Consult Us Before Settlements

We reweave to perfection Burns, Stains and Damages in Rugs (Oriental & Domestic), Table Cloths, Tapestries, Wearing Apparel and Upholstered Furniture. Finest Cabinet Refinishing of Furniture burnt by cigarettes.

All Work Guaranteed

AMERICAN WEAVING COMPANY

Est. 1910

8 North Wabash Ave. Bldg. 13th Floor Chicago
Phone: DEArborn 1693-4



We serve leading Companies and Adjusters throughout the Country. References gladly furnished.

a director representing the marine business.

President Francis V. Keesling appointed a committee consisting of Joy Lichtenstein, Hartford Accident; Arthur S. Holman, Travelers, and Charles A. Craft, Phoenix Assurance, to study the by-laws and develop a roster of organizations and individuals who are eligible to membership. This is preliminary to stepping up the federation's future activities.

Outline Forum's Objectives

SAN FRANCISCO—Plans for carrying on the educational and public relations objectives of the Fire Underwriters Forum of San Francisco were discussed at a special luncheon meeting Dec. 15. The officers presented an outline for extending its activities to emphasize the need for more education for beginners in the business as the foundation for public relations and to organize a program for closer cooperation among the companies to obtain the desired results.

Two Honored for Long Service

SAN FRANCISCO—George R. Jardine, manager of the fire department of Balfour, Guthrie & Co., and Herriott Small, manager of the marine department, have been presented service awards indicating 25 years continuous service with Union of Canton, represented

by the Balfour office since it entered California in 1918. Mr. Jardine's father was manager of the Balfour-Guthrie marine department for many years prior to his death in 1910.

Accountants Elect Dec. 17

The Insurance Accountants Association of San Francisco is holding its annual meeting, banquet and fellowship party Dec. 17. Officers will be elected. J. F. Sliwinski, chief accountant of Home, will be master of ceremonies.

NEWS BRIEFS

Mrs. Alice M. Hewitt of the medical division of Pacific Employers has been installed as president of the **San Francisco Insurance Women's League**. Mildred Clayton, California insurance department, was reelected vice-president; Claudine Buchholz, Travelers, secretary, and Frieda Dunbar, insurance department, treasurer.

Bert Levit of the insurance legal firm of Lang & Levit, who frequently lectures on policy forms and other legal problems affecting the insurance business, has just been appointed a deputy district attorney of San Francisco. This will not interfere with his private practice.

The K. O. Erickson agency, **Port Angeles, Wash.**, has been purchased by H. H. Van Brocklin.

reau. Some of the deviations that are being sought are based on differences in wording but Mr. Wayne pointed out that the present phraseology, though it may sound archaic, has been tested in the courts.

The coverage is so broad that there is little that can be done to make it any more comprehensive except to increase the blanket jewelry limit to \$1,000, which at least one company wants to do. Experience has shown, however, that this can be extremely costly, for it would cover much of the jewelry covered in jewelry floater policies and without any commensurate increase in premium. The danger is that there would be many insured who would have nearly all of their jewelry requirements covered by such an increase, since \$1,000 would cover the value of any one piece and they would take a chance on having all jewelry items stolen or lost at one time.

The \$250 blanket jewelry item was put in with considerable misgivings, the idea being to insure costume jewelry and other items that would not ordinarily be included in a jewelry floater.

Carelessness Is Cause of Many Cargo Theft Losses

The pressure for business and the scarcity of manpower has contributed

to the careless handling of employee situation among trucking and warehouse companies in Chicago and to the disappearance of many of the checks on procedure which are essential to avoid cartage theft losses. Mike Phelan, sergeant in charge of the cartage theft detail of the Chicago police department, told the Mariners, Chicago marine organization, at a luncheon. More than 35 attended, and Earl Follingstad, Newhouse & Sayre, shipper, presided.

Often when hiring new drivers the trucker fails to get the draft card of the applicant, his home address, or even check on his chauffeur's license, Mr. Phelan said. In checking losses the police have found that some drivers were deserters from the army, others were ex-convicts, and some were not registered under selective service. Drivers are drifting from one job to another over the country.

Keys are left in the truck with the engine running and trucks are parked on the street for long periods and even over night, Mr. Phelan said. More than \$100,000 worth of liquor has been stolen in recent weeks in Chicago from under the very noses of trucking companies, he said. One thief stepped into the cab of a loaded liquor truck and drove away, and as he left the yard other employees gave him the "high sign," thinking it was a new man.

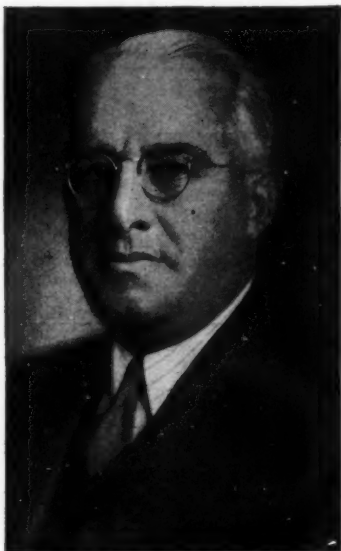
No Check on Bills

Occasionally a load of liquor will be delivered to a firm that is closed. The

IN THE CANADIAN FIELD

Fess Retires as Head of Two Canadian Companies

TORONTO—William P. Fess, president of Canadian General and Toronto



WILLIAM P. FESS

General, after a lifetime devoted to the insurance business, is retiring Dec. 31. His health has been impaired for some time now, and it is understood that he and Mrs. Fess plan to spend some time in Texas.

Mr. Fess began his insurance career in Winnipeg with Carruthers, Brock, Johnson & Day in 1901. In 1907 the Smith, Fess agency was established and in 1918 the general agency of Fess & Smith was created. In 1929, Mr. Fess disposed of his Winnipeg interests and came to Toronto. He served as most loyal grand gander of the Blue Goose in 1923.

A. E. Naylor succeeds him as president of Canadian General and Toronto General. He has been vice-president and a director. William F. Spry has been named vice-president and general manager.

Mercantiles on Three-Year Term Up for Renewal

TORONTO—A large number of mercantile fire risks will come up for

renewal in 1944. When the three-year term plan was adopted in 1941 it proved so popular that the majority of the risks were written on that basis so that there was a slump in new premiums on this business in 1942 and 1943. In view of increased values and difficulty in making replacements it is expected that limits will be increased.

New Hamilton, Ont., Officers

HAMILTON, ONT.—Frank D. Bliss, now president of the Ontario Fire & Casualty Insurance Agents Association, has resigned as president of the Hamilton association and is succeeded by Fred Eagle. Vice-president is Herbert J. Forbes; secretary-treasurer, T. J. A. Fergusson.

Survey Bureau Chief Retires

TORONTO—E. A. Long, manager of the Underwriters Survey Bureau, has retired. J. G. Brown, formerly superintendent of the bureau's Montreal office, has been appointed manager, while E. G. Page will fill the post vacated by Mr. Brown.

O. K. Premium Adjustment Clause

TORONTO—The Canadian Underwriters Association has announced authorization of a premium adjustment clause in connection with use and occupancy forms A, D and G, and profits insurance-estimated results form.

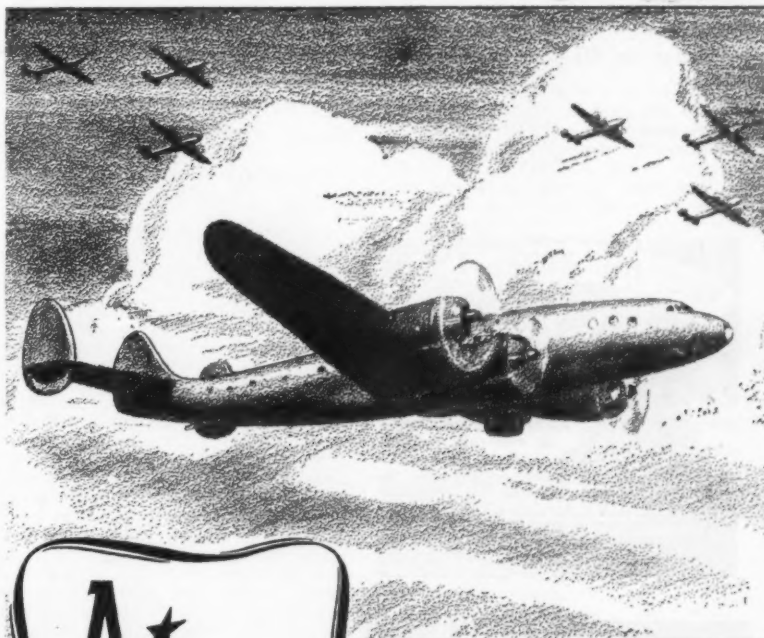
Canadian Losses Increase

TORONTO—As a result of the \$5,000,000 Camp Borden fire, it is anticipated that Canada's 1943 fire loss total will show an increase of more than \$6,000,000.

MARINE

Proposed PPF Deviations in Ill. Stir Opposition

NEW YORK — Deviations which some companies are seeking for the personal property floater in Illinois would cause a needlessly chaotic situation out of which no one would benefit, according to Harold Wayne, manager of the Illinois Personal Property Floater Bu-



**AIR
CARGO
INSURANCE**

• We furnish **TRANSPORTATION INSURANCE** for both domestic and international **CARGO BY AIR**.

Our seasoned experience in the underwriting of **ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE** is at your service.

MARINE OFFICE OF AMERICA

116 JOHN STREET - NEW YORK

CHICAGO - NEW ORLEANS - SAN FRANCISCO - SEATTLE
BALTIMORE - BOSTON - CLEVELAND - DETROIT - HARTFORD - HOUSTON
LOS ANGELES - PHILADELPHIA - PITTSBURGH - ST. LOUIS - STOCKTON - SYRACUSE



load will be left on the dock and the papers shoved under the door. The drivers have full access to bills of lading and merchandise, he said. There is little system in checking up on merchandise returned because of no delivery and practically none on the driver who has the bills. The driver should be made to sign for them, he said. It would help also if loaded trucks parked for any time at docks were to be demobilized by removing a wheel or using a big timber, which forces the driver to check the seals before he starts out.

Can't Write Theatrical Costumers

The joint committee on interpretation and complaint has ruled that in those states which have adopted the nationwide definition of insuring powers of marine and transportation underwriters it is not permissible to write a marine form covering the property of a theatrical costumer who makes, rents, and occasionally sells costumes. Apparently some effort was made in the east to write business of this kind on a marine form.

Me. Approves Locker Cover

Commissioner Perkins of Maine has approved the writing by marine companies of insurance on merchandise in cold storage lockers.

MOTOR

30% of Collision Writings in West on 80-20 Form

From 30 to 40% of the collision business in the middle west is now being written under the so-called 80-20 form, it is estimated. This policy was first introduced by the N. A. U. A. in the middle-western states although it is now sanctioned in 43 states. There has been a

gradual and consistent increase in the use of these forms on the part of agents. Practically all of the \$25 deductible and convertible collision business has now been switched over to the 80-20 form. The new policy, however, has not as yet made much of an inroad on the \$50 deductible. Although the 80-20 form has bred an increase in claims for small losses, the trend has by no means gotten out of hand and the companies have no complaint to offer. The underwriters say that their main precaution is to be on the lookout for claim conscious agents that coax their customers to make claims for trivial bumps.

Royal-Liverpool Group's Changes

(CONTINUED FROM PAGE 1)

announced that J. L. Erhardt, now executive regional manager of the eastern department, will become an assistant manager. That title is also held by M. H. Grannatt and E. W. Hotchkin, who will continue in those positions.

Commenting on the changes, Mr. Warner said: "They are in conformity with the established practice of our companies in rewarding long and valuable service, and in so preparing younger men for positions of trust and responsibility as to enable them to continue the high traditions of our institutions. While Mr. Conick and his loyal and capable colleagues will assume with the new year many of my responsibilities, I shall, as general attorney, be available as required, continuing my official connections with our affiliated fire and casualty companies.

Records Appreciation

"In expressing my complete confidence in each of the executives who will carry on, I wish to record my great appreciation, personally and officially, of the invaluable services which have been rendered to the companies and to me by Mr. Cartledge, who has been my first lieutenant since I became United States manager of the Royal and the Liverpool. He has well earned the relaxation which this change will afford, and I am happy in the knowledge that his retirement will permit full enjoyment of a number of activities in which he is interested.

"It is gratifying to me also that our directors have recognized the sterling qualities and the long and valuable services of my old friend Charles A. Nottingham, in naming him deputy United States manager. We struggled with common problems many years ago in Birmingham, England, and to him, too, I pay sincere tribute for his great service to our companies and his assistance to me personally.

"Mr. Conick, who assumes with the title the responsibilities of the United States manager, is so well and favorably known to our staff, to our agents throughout America, and to the insurance fraternity in general, as to need no endorsement from me; suffice it to say, I have every confidence in the success of his management of our fire business."

Mr. Warner has served Royal and Liverpool and their affiliates for 43 years, starting in the Birmingham office of Central. He has held the position of manager of various branch offices in England and executive positions at the head office in Liverpool. He became United States manager for Liverpool in 1926, and for Royal in 1929.

Mr. Conick, after completing his college course, was associated with the Western Actuarial Bureau at Chicago, and later with Charles W. Sexton & Co., Minneapolis, and Critchell, Miller, Whitney & Barbour in Chicago. He entered the army in 1917, being commissioned as a second lieutenant. At the cessation of hostilities, he was lieutenant-colonel in command of trains of the 14th division. Mr. Conick joined the Chicago office of Royal in 1923, and after a few

years was transferred to New York and appointed assistant manager in 1934.

Mr. Cartledge became associated with the Kansas & Oklahoma Rating Bureau in 1895. He later entered the service of Shawnee Fire of Topeka, which in 1910 was reinsured by National of Hartford. After a few years he was transferred to Chicago, becoming assistant manager of the western department. In 1922, Mr. Cartledge was made manager of the western department of Liverpool; transferred to New York in 1928, and he was named deputy manager of Royal and of Liverpool in 1934.

Nottingham's Career

Mr. Nottingham was first connected with Central of Birmingham, later becoming manager of the Birmingham office of Liverpool. In 1922 he was transferred to New York as manager of Liverpool, and in 1934 was made assistant manager of the Royal and Liverpool, which position he has since occupied. In addition, Mr. Nottingham is president of Prudential of Great Britain located in New York and of Hudson. He is also U. S. manager of Skandia.

Mr. Grannatt, a native of Greater New York, commenced his insurance career with New York Underwriters Agency in New York. He went to Chicago in 1912, as special agent for that company,

becoming western special agent covering several states in 1919. In 1923 he joined the western department of Liverpool as assistant manager and on the transfer of that department to New York in 1929 was given the title of manager. In 1934 he was appointed an assistant U. S. manager of Royal and Liverpool.

Hotchkin's History

Mr. Hotchkin entered the service of the western department of Continental in 1910. On consolidation of the America Fore organization in 1924, he was appointed assistant secretary. He joined Queen in 1926 as assistant manager in Chicago, and in 1929 became assistant manager of Royal and its affiliated companies. He was appointed manager of the western department at New York in 1930, later being given the title of assistant U. S. manager.

Mr. Erhardt became connected with Globe & Rutgers Fire in 1917 as an automobile underwriter, joining the eastern department of Royal in 1925, as superintendent of the automobile department. In 1930, he assumed the position of superintendent of the automobile department of Royal-Liverpool, and became assistant manager of the western department in 1937. In 1940 he was appointed executive regional manager in charge of the eastern department.

A DIRECTORY OF RESPONSIBLE INDEPENDENT ADJUSTERS

DIST. OF COLUMBIA

NICHOLS COMPANY INSURANCE ADJUSTMENTS

All Lines—Representing Companies only
Established 1821—Twenty-four hour Service
Washington, D. C., Woodward Bldg., Phone Met. 6316
Richmond, Va., Mutual Bldg., Phone Dial 3-8359
Baltimore, Md., Mercantile Tr. Bldg., Ph. Lexington 8225
Winchester, Va., Masonic Bldg., Phone Win. 3858
Hagerstown, Md., Wareham Bldg., Phone Hag. 798

MICHIGAN

WAGNER AND GLIDDEN, INC. TOPLIS AND HARDING, INC. INSURANCE ADJUSTMENTS ALL LINES

Chicago New York
Los Angeles Seattle Detroit

ILLINOIS

PHONE HARRISON 3230 THOMAS T. NORTH ADJUSTMENT COMPANY

Adjusters
All Lines
Insurance Exchange Building
175 W. Jackson Blvd.
Chicago

J. L. FOSTER

314 First National Bank Building
Springfield, Illinois

Fire - Automobile - Casualty

INDIANA

CENTRAL ADJUSTING CO.

Consolidated Bldg. Indianapolis, Ind.
BRANCH OFFICES:
EVANSVILLE HAMMOND
414 Old Nat'l Bank 407 Lloyd Bldg.
FORT WAYNE SOUTH BEND
835 Lincoln Tower 711 Odd Fellows Bldg.
MUNCIE TERRE HAUTE
884 Western Reserve 6 Ball Bldg.
RICHMOND
210 Medical Arts Building

INDIANA ADJUSTMENT COMPANY

506 Security Trust Building
INDIANAPOLIS
AUTOMOBILE AND CASUALTY
(All Lines)
Other offices at EVANSVILLE, FORT
WAYNE, and TERRE HAUTE.

EUGENE MCINTYRE Adjustment Co.

All Lines of Automobile, Casualty and
Inland Marine.
Eight East Market Street
Indianapolis
Branch Offices: Muncie, Ind., and
Terre Haute, Ind.

MINNESOTA

MAIN & BAKER, INC. GENERAL ADJUSTERS for the COMPANIES

816 Second Ave. S.
Minneapolis, Minnesota
Telephone Main 3448
Branch offices: St. Paul, Duluth, Minn.; Grand
Forks, Bismarck, N. D.; Sioux Falls, S. D.

MISSOURI

THOS. R. TADLOCK

INSURANCE ADJUSTER
ALL LINES - COMPANIES ONLY
Room 406-3
916 Walnut St. Building
Kansas City, Missouri

NEW JERSEY

NATIONAL ADJUSTERS, Inc.

ALL LINES—COMPANIES ONLY
Washington, D. C., 1070 National Press Bldg.
Norfolk, Va., 528 Monticello Arcade Ph. Norfolk 4-1824
Baltimore, Md., 806 Title Bldg., Phone Plaza 0909
Bradford, Pa., 8 Storey Place, Phone 6647
Newark, N. J., 11 Commerce St., Ph. Mitchell 2-7999

WISCONSIN

Nurnberg Adjustment Co. GENERAL ADJUSTERS

Fire, Windstorm, Hail, Automobile, Casualty,
Inland Marine and Aircraft
(Licensed Pilot in our employ)
Underwriters Exchange Bldg.
MILWAUKEE
528 N. Broadway Phone Daily 6888
Branch Offices: Antigo and Madison

FACTUAL APPRAISALS
Impartial Valuations
of Industrial and
Commercial Property... A
quarter century of factual
appraisal service to Ameri-
ca's more conservative
business institutions.

The Lloyd-Thomas Co.
RECOGNIZED AUTHORITY ON PHYSICAL VALUES
APPRAISAL ENGINEERS
4411 S. RAVENSWOOD AVE., CHICAGO

Approved For Plant Protection

JUSTRITE

OILY WASTE CANS
The safety container
for oily waste, rags
and other flammable
material.

SAFETY CANS
For storing and han-
dling explosive or
flammable liquids
with safety.

Approved by Under-
writers' Lab., Inc.,
and Associated Fac-
tory Mutual Fire
Ins. Cos.

JUSTRITE MANUFACTURING COMPANY
2067 N. Southport Ave., Chicago, Ill.

CHASE CONOVER & CO.
Auditors & Accountants
135 So. La Salle Street
Chicago
Telephone Franklin 3868



Annie doesn't live there any more!

THERE has been a revolution in the kitchens of thousands of American homes. Annie doesn't live there any more. She's abandoned the stove for the lathe and is now No. 33,479 over at the Aircraft. And as for the missus, she's had to lay aside the latest best seller in favor of the Boston Cook Book.

Kitchens always have been dangerous places—even for those who knew what they were doing when they were

working there. With the changes that are taking place, it will be no surprise to our Accident Department to get a substantial increase in number of claims for burns, scalds, cuts and falls.

It's a fairly safe bet that some of the many ramifications of the war have increased the danger of wives being injured in accidents. Why not arrange it so that The Travelers would pay the doctors' and hospital bills?

THE TRAVELERS INSURANCE COMPANY
HARTFORD, CONNECTICUT



May Faith Be Your Guiding Light

It was faith which guided the wise men to Bethlehem . . . it was faith which led our forefathers through the trials of pioneering the country we love . . . it is faith, and faith alone, which will carry us through the war. This year, on Christmas Day, many fathers, sons and brothers, yes, and for the first time in war, many mothers, daughters and sisters, will be away from the homes they hold so dear . . .

giving their best for the cause of Victory. The 1943 Christmas reunion in many homes therefore, will be but a memory. But let us not waver. Let us be strong of heart and mind. Let us rely upon our faith knowing full well that right will prevail as it always does, and that it will not be long until we can fully realize again—"On Earth, Peace, Good Will Toward Men." ★ A Happy Christmas to You and Yours.



E. M. MORRIS, PRES.

H. C. WILLIAMS, VICE PRES. & SEC'Y.

THOS. F. SHORTALL, VICE PRES. & SUPT. OF AGENCIES

C. L. SCRANTON, MGR. UNDERWRITING DEPT.